

CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SECOND SESSION—TWENTY-SECOND PARLIAMENT

3-4 ELIZABETH II

BEING THE 97TH SESSION FOR THE PERIOD 1867-1955

VOLUME I, 1955

COMPRISING THE PERIOD FROM THE SEVENTH DAY OF JANUARY, 1955,
TO THE ELEVENTH DAY OF FEBRUARY, 1955, INCLUSIVE

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EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955

HOUSE OF COMMONS

DEBATES

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OFFICIAL REPORT

Speaker: The Honourable L. Rene Beaudoin

Friday, January 7, 1955

SECOND SESSION—TWENTY-SECOND PARLIAMENT—OPENING

The parliament which had been prorogued on the twenty-sixth day of June, 1954, met this day at Ottawa for the dispatch of business.

The house met at two o'clock, the Speaker in the chair.

Mr. Speaker read a communication from the secretary to the Governor General, announcing that His Excellency the Governor General would proceed to the Senate chamber at two o'clock on this day, for the purpose of formally opening the session of the dominion parliament.

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, His Excellency the Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

And the house being returned to the Commons chamber:

VACANCIES

Mr. Speaker: I have the honour to inform the house that during the recess I have received communications from several members notifying me that vacancies had occurred in the representation, as follows:

Of Hon. D. C. Abbott, member for the electoral district of St. Antoine-Westmount, consequent upon his acceptance of an office of emolument under the crown.

Of Hon. Lionel Chevrier, member for the electoral district of Stormont, consequent upon his acceptance of an office of emolument under the crown.

Of Hon. Brooke Claxton, member for the electoral district of St. Lawrence-St. George, by resignation.

Of Rodney Adamson, Esquire, member for the electoral district of York West, by decease.

Of Lionel Conacher, Esquire, member for the electoral district of Trinity, by decease.

Of Robert James Wood, Esquire, member for the electoral district of Selkirk, by decease.

Accordingly I addressed my warrants to the chief electoral officer for the issue of new writs of election for the said electoral districts.

NEW MEMBERS

Mr. Speaker: I have the honour to inform the house that during the recess the Clerk of the House has received from the chief electoral officer certificates of the election and return of the following members, viz.:

Of Claude S. Richardson, Esquire, for the electoral district of St. Lawrence-St. George.

Of Albert Peter Lavigne, Esquire, for the electoral district of Stormont.

Of John Borden Hamilton, Esquire, for the electoral district of York West.

Of Hon. George C. Marler, for the electoral district of St. Antoine-Westmount.

Of Donald D. Carrick, Esquire, for the electoral district of Trinity.

Of William Bryce, Esquire, for the electoral district of Selkirk.

NEW MEMBERS INTRODUCED

Hon. George C. Marler, member for the electoral district of St. Antoine-Westmount, introduced by Right Hon. L. S. St. Laurent and Right Hon. C. D. Howe.

Donald D. Carrick, Esquire, member for the electoral district of Trinity, introduced by Right Hon. L. S. St. Laurent and Hon. L. B. Pearson.

Albert Peter Lavigne, Esquire, member for the electoral district of Stormont, introduced by Right Hon. L. S. St. Laurent and Hon. J. J. McCann.

Claude S. Richardson, Esquire, member for the electoral district of St. Lawrence-St. George, introduced by Right Hon. L. S. St. Laurent and Hon. Alcide Cote.

John Borden Hamilton, Esquire, member for the electoral district of York West, introduced by Hon. W. Earl Rowe and Mr. J. G. Diefenbaker.

William Bryce, Esquire, member for the electoral district of Selkirk, introduced by Mr. M. J. Coldwell and Mr. Alistair Stewart (Winnipeg North).

House of Commons

HOUSE OF COMMONS

REFERENCE TO ILLNESS OF LEADER OF THE OPPOSITION

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I am sure that hon. members in every part of this chamber would wish me to say what is in all our minds at this time, and that is how sorry we all are that the Leader of the Opposition, the Hon. George A. Drew, is unable to be present with us at this opening of parliament.

We were all deeply shocked when we heard last November that he had been stricken suddenly by a serious illness. Fortunately after some days of anxiety we were relieved to hear that he had safely passed the critical phase of the malady. Subsequently from time to time we were most grateful to learn that he was making steady progress toward complete recovery although he had to remain in hospital for several weeks.

All of us, his friends in this house—and I am sure this is also true of his hosts of friends outside of this house—sincerely hope that the present rest which his medical advisers have persuaded him to take will enable him to regain completely his strength and that it will not be long before his health and his usual vigour will have been fully restored and that he will be able to be back with us in the house.

Although the request may be somewhat unusual I am sure that every one of us, wherever he sits in the house, would be grateful to you, Mr. Speaker, if you would in the meantime convey to Mr. Drew our most sincere greetings and good wishes.

Hon. W. Earl Rowe (Acting Leader of the Opposition): Mr. Speaker, I must take advantage of this opportunity to indicate the keen appreciation of the associates of the Leader of the Opposition (Mr. Drew) on this side of the house of the kind good wishes which the Prime Minister (Mr. St. Laurent) has so generously expressed today. I realize, as do many others, that it is a great tribute to the present-day efficiency of modern medical science that the Leader of the Opposition has been able to get through the very critical days of his illness. However, I am most happy to report, after having visited him yesterday, that he is making a very rapid recovery and indeed his health has been restored to a greater degree than I had expected to find. I feel most confident, and I am sure he does, as well as his doctors, that he will be returned to the health and vigour which the Prime Minister has indicated is his usual state of health.

[Mr. Speaker.]

OATHS OF OFFICE

Right Hon. L. S. St. Laurent (Prime Minister) moved for leave to introduce Bill No. 1, respecting the administration of oaths of office.

Motion agreed to and bill read the first time.

SPEECH FROM THE THRONE

Mr. Speaker: I have the honour to inform the house that when the house did attend His Excellency the Governor General this day in the Senate chamber, His Excellency was pleased to make a speech to both houses of parliament. To prevent mistakes, I have obtained a copy, which is as follows:

Honourable members of the Senate:

Members of the House of Commons:

It affords me great pleasure to greet you as you resume your parliamentary duties at the beginning of this new year.

Since you last met, the people of Canada have been given an opportunity of extending once more an affectionate welcome to Her Majesty, Queen Elizabeth, the queen mother. They have also had the pleasure of greeting again the consort of our sovereign, the Duke of Edinburgh, who came to attend the British Empire and Commonwealth games held in Vancouver during the summer and to visit northern parts of Canada.

While there is hopeful evidence that the increasing strength of the free world has lessened the likelihood of aggression, the terrible destruction that war would bring to North America and indeed to all mankind has been magnified by the increase in the number and effectiveness of atomic and thermonuclear weapons and the means of delivering them.

My ministers are convinced that, while the resources of diplomacy must never be neglected in the search for peace, the efforts of the free nations in building their deterrent forces must be maintained. To this end, Canada was represented at the London and Paris conferences which formulated an alternative to the European defence community and provided for the entry of the Federal Republic of Germany into the North Atlantic Treaty Organization. You will be asked to approve the agreements reached at those meetings.

Our country continues to give full support to the United Nations. The Canadian delegation took an important part in the deliberations of the recent meeting of the general assembly in New York. It is earnestly hoped that the adoption of the resolution on disarmament introduced in the political committee by the Canadian delegation may lead to agreement on an effective system of international safeguards.

While no final settlement has been reached in Korea, the lessening of the threat of renewed aggression in that area has made possible the withdrawal of a substantial portion of the Canadian forces.

At the invitation of the Geneva conference Canada has accepted the heavy responsibility of serving on the armistice commissions which have been formed to supervise the restoration of peace in the associated states of Indo-China.

Last autumn our nation was the host at the annual meeting of the consultative committee of the Colombo plan. You will be asked to approve Canada's continued participation in the plan as well as in the United Nations' technical assistance program.

A meeting of commonwealth prime ministers will be held in London at the end of this month to consider a number of problems affecting the peoples of this great association of nations. My prime minister plans to attend this conference.

During the summer arrangements were completed to permit the navigational facilities of the St. Lawrence river to be enlarged and a hydroelectric project to be undertaken in the international rapids section.

Work on these two projects has already begun and my ministers are convinced the stimulus to the national economy resulting from their construction will be shared in all parts of the country.

Since you last met, Cape Breton island has been linked with the mainland by the new causeway which will be ready for service as soon as the ship canal has been bridged.

It is expected that, in the course of the coming season, the new ferry between North Sydney and Port aux Basques will be in operation and the ferry service between Yarmouth and Bar Harbor started. Construction of a new ferry to operate between Nova Scotia and Prince Edward Island will be undertaken early in the present year.

To improve navigation on the Pacific coast, you will be asked to make provision at this session for the removal of Ripple Rock.

Canadians learned with deep regret of the loss of life and damage to property caused by two severe storms felt heavily in the province of Ontario and the province of Nova Scotia. An agreement has been reached with the province of Ontario to assist those persons whose homes were damaged or destroyed and assistance has been given under the Agricultural Prices Support Act to the producers of apples in Nova Scotia. You will be asked to make the necessary financial provision for these arrangements.

The Disabled Persons Act which you passed at the last session was proclaimed to come into force at the beginning of the present year. The governments of all the provinces have announced their intention to participate in implementing the program to assist those who are totally unable to care for themselves; and my ministers are now in a position to conclude the necessary federal-provincial agreements to bring this humanitarian measure into operation.

Although the national economy is in a generally healthy condition, the relatively poor wheat crop is being reflected by a small decline in the total national income. Some unemployment of a regional and seasonal nature is being experienced. To help meet this situation work on public construction projects already approved is being accelerated and you will be asked to make financial provision for construction in the programs of various departments and agencies on a scale that will make possible a substantial increase in the total expenditures for this purpose.

The government proposes to introduce legislation immediately for the amendment of the Unemployment Insurance Act to provide for an increase in the duration and scale of supplementary winter benefits. It is also proposing to introduce, during the session, broader amendments designed to make unemployment insurance a more effective instrument in providing financial support to unemployed workers.

The National Housing Act, 1954, enacted early in the last session, which authorized lower down-payments and larger loans, and which enabled the chartered banks for the first time to make loans on the security of residential mortgages, has been an important factor in stimulating the construction of a record number of houses in the past year. The prospects are favourable for a high level of house building in 1955.

It is proposed to bring into general operation on the first of February the provision of the act under which loans may be made for home improvements. In accordance with an undertaking given at the last session, this section was proclaimed for small holders under the Veterans' Land Act with effect from the first of this year.

You will be asked to consider amendments to the Railway Act relating to the elimination of level crossings. The government also hopes to lay before you during the present session a measure to consolidate the legislation affecting the Canadian National Railways.

Amendments to the Electricity and Fluid Exportation Act and a measure to control works which affect the normal flow of rivers which cross the international boundary will be proposed for the purpose of ensuring that natural resources are developed in the best interests of the Canadian public.

You will be asked to consider a measure to implement a convention between Canada and the United States relating to fisheries research on the great lakes.

You will also be asked to consider legislation to provide facilities for loans to fishermen similar to those provided to farmers by the Farm Improvement Loans Act.

The government will submit amendments to the War Veterans Allowance Act to raise the basic rates as well as the ceiling on permissible incomes of recipients of allowances.

You will also be asked to consider amendments to the Blind Persons Act, to lower the age of eligibility and raise the income ceilings.

A measure which will provide for amendments to the National Defence Act and the Defence Services Pension Act will be placed before you.

Legislation will be proposed to replace the Meat and Canned Foods Act by measures to provide for the inspection of meat and for the establishment of standards for all agricultural products.

You will be asked to approve a convention signed by the members of the international civil aviation organization which fixes the responsibility for damage caused to third parties by foreign aircraft.

A joint committee of both houses will be proposed to examine, in the light of the Municipal Grants Act and possible amendments thereto, the financial and other relationships of the government and the federal district commission with the city of Ottawa and neighbouring municipalities.

Among other measures you will be asked to consider amendments to the Defence Production Act, the Government Employees Compensation Act, the Financial Administration Act, the Public Service Superannuation Act, the Historic Sites and Monuments Act, the Radio Act, the Territorial Lands Act, the Library of Parliament Act, the Canada Grain Act, the Northwest Territories Act, the Yukon Act, the Canada Shipping Act, the Emergency Gold Mining Assistance Act and to the Municipal Grants Act.

Members of the House of Commons:

You will be asked to make provision for the public service for the next fiscal year.

Honourable Members of the Senate:

Members of the House of Commons:

I pray that Divine Providence may guide you in the discharge of your responsibilities.

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That the speech of His Excellency the Governor General to both houses of parliament be taken into consideration later this day, and that this order have precedence over all other business, unless and until otherwise ordered, except introduction of bills and government notices of motions, until disposed of.

Motion agreed to.

Tributes to Deceased Members

TRIBUTES TO DECEASED MEMBERS

THE LATE ROBERT J. WOOD—THE LATE ROBERT FAIR

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, since we last met we have received the sad news of the death of two of our colleagues. I refer of course to Mr. Robert J. Wood, who represented the constituency of Selkirk, and Mr. Robert Fair, the member for Battle River-Camrose.

Mr. Wood's death was an unexpected shock to his many friends both within and beyond this chamber. He appeared in excellent health and spirits before he left the capital at the end of June and he was looking forward to the long drive home by automobile.

Mr. Wood was born and raised on his father's farm at Teulon, Manitoba, and he was a resident of that province all his life. In addition to carrying on a successful business he served as reeve in Bifrost municipality at the early age of 31.

Later he was chairman of the Teulon chamber of commerce, and a member of the executive of the Manitoba associated chambers of commerce.

He was first elected to the House of Commons in the general election of 1949, and he was given a renewed vote of confidence by his electors in 1953. Immediately after his arrival in Ottawa Mr. Wood became recognized by his colleagues as an assiduous and friendly member of this house. Although he did not participate frequently in debate, he served conscientiously on several committees and took most seriously his responsibilities to his constituents. Feeling himself very closely associated with them, he endeavoured at all times to be their true representative both in this house and outside.

I am sure I speak for all members of the house in saying that Robert Wood will be remembered with genuine affection and respect by all of us, and in extending sincere sympathy to Mrs. Wood and other members of the family in their bereavement.

Mr. Robert Fair was among the first members of his party to be elected to this house in 1935. Since he first took his seat he gave unstintingly of himself in the service of his constituents. Their appreciation of his efforts was shown by his re-election at each of the four general elections since that date.

Mr. Fair was an active debater and only ill health prevented him from taking his usual part in the deliberations of this house during the last session.

As the representative of a prosperous farming area, Mr. Robert Fair made his principal contribution in the agriculture committee and during the discussions of subjects related to agriculture. He also took a keen and humane interest in legislation concerning war veterans and soldier settlers.

I know, Mr. Speaker, that all members would wish to join with me in expressing sympathy to his leader in the loss of an esteemed colleague, as well as to Mrs. Fair and the other members of the family in their great loss.

Hon. W. Earl Rowe (Acting Leader of the Opposition): Mr. Speaker, I wish to associate myself with the remarks of the Prime Minister (Mr. St. Laurent) and I am sure I speak for all my colleagues on this side of the house when I express keen sympathy at the loss this country has suffered in the death of these two gentlemen.

I did not know Mr. Wood as well as I knew Mr. Fair, but I knew of his long and creditable record in public affairs. I know he was a very kind man and a loyal friend, and I am sure his companionship will be greatly missed by all members of the house. He was elected twice to this parliament, and on several occasions served in other capacities in his native province. I am certain all members will join with me in extending to Mrs. Wood and the family, to his former associates here and in his riding, our keen sympathy and regret.

Mr. Robert Fair was a member of this house for a longer period of time. He was, I believe, elected five times. He was an aggressive member and will be greatly missed by his associates. He was a kind man and yet at the same time he was vigorous and did not hesitate to say where he stood on matters that occupied his keen interest.

I am sure veterans throughout the country will miss Robert Fair's representation in this parliament, and I know that his many friends in his riding will feel his loss very keenly. To his wife and family, on behalf of this group, I extend sincere sympathy.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, for those of us who have been here a long time these occasions of the meeting of parliament are occasions of a happy nature, but unfortunately they are often marred by the loss of one or more members of the house with whom we have been associated over a period of time. This meeting of parliament is no exception.

In the loss of Mr. Wood the government and his friends in his constituency, together with his family, have lost a fine individual. It is true, as the Prime Minister (Mr. St. Laurent) said, that he did not take a very great part in the debates in this house, but nonetheless those of us who met him, and knew him, respected him and regret that he has passed away.

We join with the Prime Minister, and the Acting Leader of the Opposition (Mr. Rowe), in expressing to Mrs. Wood and the family our sincere sympathy in their great personal loss. We also extend to the Prime Minister and his colleagues our sympathy in the loss of one who was a faithful friend and colleague.

Robert Fair came here in 1935, the same year as I, and during that time those of us who knew Robert Fair grew not only to respect him and admire his good qualities, but to like him. We shall miss his rich Irish wit and his brogue, and the soldier settlers in Canada will miss his very warm advocacy of their particular cause.

We wish to record our appreciation of the work he did in this house. Though party lines often divide us, nonetheless we can respect those who with integrity advocate views that are not always consonant with those we hold ourselves. Therefore, Mr. Speaker, to Mrs. Fair and the family, who have watched him suffer over a period of time, and now know that suffering is ended, we wish to extend our sympathy in their loss, and to members of the Social Credit group we extend our sympathy in the loss of a good colleague and advocate of their views throughout the country.

Mr. Solon E. Low (Peace River): Mr. Speaker, I wish to thank the Prime Minister (Mr. St. Laurent) and other hon. members for the kind words they had to utter about our very good friend and colleague, Robert Fair, and at the same time, on behalf of the Social Credit members of parliament, I would like to pay tribute to the sterling qualities of this good man whom we came to know and love through our long years of association with him.

Bob, as he was called by all who knew him, was born in Keelogues, county Mayo, Ireland. He came to Canada in 1914 and settled in the Paradise Valley district about 45 miles southeast of Vermilion, in the province of Alberta, where, by hard work and good management, he was able to build up a very fine farm.

He was intensely proud of his Irish blood, and lost no opportunity to pay tribute to his native land and the good qualities of Irishmen everywhere. But at the same time he had an intense love for Canada and an undivided loyalty to this his adopted land. Throughout his whole life he worked hard to make of Canada a place where every citizen could enjoy freedom, justice, and a good standard of living.

Our friend Bob was mild, but doggedly persistent in everything he undertook to do. He was careful not to hurt those who were in opposition to his ideas, and valued his friends highly. He was devoted to his work in and out of parliament, and to his constituents. He never spared himself in the 19 years that he represented his constituency in this house.

Mr. Fair enjoyed robust health throughout his whole life, never having known a sick day until he was stricken about a year ago with what finally was diagnosed at Rochester as cancer of the pancreas. To all of us who knew how healthy and robust he really was, it was a shock to see how he went down under the onslaught of this terrible affliction. Mr. Fair suffered unusually long with this particular disease, because it usually develops rapidly; but through it all he maintained high morale and a quiet determination to win in the battle for his life. To the very end he looked forward with hope and through it all exhibited unusual courage. These were characteristics of the man in everything that he undertook to do. By those who were with him in his last days I am advised that he had achieved peace of mind which, Mr Speaker, is a great blessing.

Bob had many friends and few, if any, enemies. He was beloved by all who knew him and those of us who are left will miss him sorely. We join with the Prime Minister (Mr. St. Laurent) and with the others who have spoken so kindly, in once again expressing to Mrs. Fair, their two sons and the eight grandchildren, our deepest sympathy in their bereavement.

In the second place I should like to join with the Prime Minister and the others who have spoken in paying tribute to our late departed friend, Mr. Wood from Selkirk. I did not, of course, know him as well as I knew Bob Fair, but from what I knew of him I loved him. I had the pleasure of meeting him on many an occasion during the time he was here since 1949. I bowled with him at times on bowling teams. I found him to be a congenial companion and a good sportsman, and I enjoyed being with him. I am sure that we all join in paying our deepest respect to his memory and in paying these tributes to a loyal follower of the Prime Minister, to whom we express our deep sympathy in his loss. To his family and those who are left behind we express our sympathy in the loss of a good husband and father.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, on behalf of those in this house who are fellow members from the province of Manitoba, I should like to express our deep regret on the passing of the late Bert Wood. He was our faithful and just friend and, I think. the faithful and

just friend of every person with whom he was on terms of intimacy in this house; certainly he was recognized as such by hundreds of those citizens residing in the interlake area of Manitoba amongst whom he was born, lived a life of service and died. He was not much younger than his province. That means that he was born in that province in a pioneering community and lived the life of a pioneer under pioneer conditions until just recent years. I think it was probably due to that fact that he possessed the endearing qualities of a pioneer, the loyalty to which reference has already been made, and the fair-mindedness of a pioneer; and also those qualities of the pioneer which served him in such good stead as a member of this house: courage, pertinacity and resourcefulness in the discharge of those duties other than making speeches which are such an important part of the work which a member does for his constituency.

We in the west have a term which we apply seriously only to those for whom we have a strong and peculiar combination of love and respect. To us Bert Wood was and always will be remembered as an old-timer. I think the same thing could be said of Robert Fair. He too was an old-timer. There are not too many of them. It is a great tribute to them that we can think of them in these terms.

On behalf of my fellow members from Manitoba I should like to express to the families of both of these gentlemen the heartfelt sympathy which we feel and shall continue to feel for them in their loss.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I cannot allow this opportunity to pass without saying a brief word. I knew these two members as personal friends. Day in and day out we met. We were like kindred spirits. At the funeral service at Stonewall I was greatly pleased to see present so many members from both sides of the house and of the Senate. That fact told its own story.

I met Bob Fair on the first day he came into the house because I got to know that he was born not far from where I was born; and I knew that we did not have too many Christian Irishmen in the house. I found him to be kind and considerate. Like Mr. Wood, Mr. Fair played the game in the way that it ought to be played. Both men belonged to our bowling league. Both men gave of their best to win; but if they did not win, they were happy to congratulate the man who won. I cannot pay a better tribute to any human mortal than that which I am going to pay to these two fellow members when I say that I found them to be Christian gentlemen in practice.

[Mr. Garson.]

Mr. C. E. Johnston (Bow River): Mr. Speaker, I should like to pay a tribute to Robert Fair at this time. I knew him probably more intimately than I knew anyone else in this house. We both were elected in 1935. We came to this house together and we had been roommates every year since that time. For 19 years we roomed together. We were still more closely associated than that because, throughout that entire period, we were deskmates here in this chamber except for part of one parliament.

I know Bob Fair to have had a very mild temperament. In our association we had to deal with problems which arose concerning all parts of the country. There was hardly an occasion on which a problem arose that we did not converse about it one with the other. There was hardly a problem that came before this house, and with which we were connected, that we did not discuss thoroughly in our office before we came down here to the chamber.

I think I can fairly say that everyone who knew him was aware of the fact that he was a confirmed supporter of the farmers of this country. Not only was he concerned about those who lived in his own constituency in his own province but he was concerned greatly about agricultural problems throughout this whole Dominion of Canada. All of us here in this house remember him as a staunch supporter of the old soldier settlers; and I think it will be agreed that had it not been for the persistence that Bob Fair showed in sponsoring the cause of the returned soldier, their condition might not be so good as it is. In fact, he was a staunch supporter of all those who found themselves in less fortunate circumstances than himself. Therefore I should like to express my sincerest sympathy at this time to his wife, Mrs. Fair, and to his two sons, Robin and Lester. I know them personally. They are going to miss him. I am going to miss him a great deal and I am sure that everyone who knew him will also miss him.

Along with the other members of the house, I should like to extend my sympathy on the passing of Bert Wood. I knew him very well. I knew him in sport, in our bowling league, where we became very well acquainted. I knew him as an intimate friend in connection with other phases of the work done by members of the House of Commons. I should like to take this opportunity to express my sympathy to his wife and family and to the government.

INTERNAL ECONOMY COMMISSION

Right Hon. L. S. St. Laurent (Prime Minister) presented the following message from His Excellency the Governor General:

The Governor General transmits to the House of Commons a certified copy of an approved minute of council appointing the Hon. James J. McCann, Minister of National Revenue, the Hon. S. S. Garson, Minister of Justice, the Hon. Hugues Lapointe, Minister of Veterans Affairs, and the Hon. W. E. Harris, Minister of Finance, to act with the Speaker of the House of Commons as commissioners for the purposes, and under the provisions of the one hundred and forty-third chapter of the Revised Statutes of Canada, 1952, intituled: An act respecting the House of Commons.

STANDING COMMITTEES

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That a special committee be appointed to prepare and report, with all convenient speed, lists of members to compose the standing committees of this house under standing order 63, said committee to be composed of Messrs. Harris, Lapointe, Casselman, Knowles and Weir.

Motion agreed to.

HOUSE OF COMMONS

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That Edward T. Applewhaite, Esquire, member for the electoral district of Skeena, be appointed deputy chairman of committees of the whole house.

Motion agreed to.

LIBRARY OF PARLIAMENT

Report of the joint librarians of parliament. —Mr. Speaker.

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MR. YVES LEDUC (VERDUN) AND SECONDED BY MR. DONALD D. CARRICK

The house proceeded to the consideration of the speech delivered by His Excellency the Governor General at the opening of the session.

(*Translation*):

Mr. Yves Leduc (Verdun): Mr. Speaker, at the opening of each sitting of this house you follow the pious tradition of praying the Almighty, the only Ruler of princes, to behold and favour our most gracious sovereign, Queen Elizabeth, and to replenish her with the grace of the Holy Spirit.

You also beseech Him to direct and prosper all our country's consultations as well as for the safety, honour and welfare of our sovereign so that all things may be so ordered and settled by these endeavours, upon the best and surest foundations, that peace and happiness, truth and justice, religion and piety may be established among us for all generations.

On this memorable occasion of my life, may I be permitted to make mine the text of that elevation of our soul and of our heart so that in what I have to say I may find in Him a source of inspiration worthy not only of the members of the house but also of the work to be done in the matter of good and truth.

At the outset of our deliberations, over which you are presiding *ex officio*, it is fitting for more than one reason that you should deign to accept my respectful and loyal tribute. Since the days of our youth, I have followed your successful achievements, and it is particularly gratifying for me today to offer you my public congratulations, and to proclaim your tact, your competence, your dignity, your devotion to duty, as well as your sense of justice in the fulfilment of your noble functions.

At the end of the year 1953, my predecessor, Mr. Paul Emile Cote, parliamentary assistant to the Minister of Labour (Mr. Gregg), an active member of this house for some 14 years, was appointed to the bench as a puisne judge of the superior court at Montreal. His relatives, his friends and the citizens of Verdun applauded such an official and unequivocal recognition of the dignity of his life, of his probity, of his devotion to duty, of his competence, in a word, of the loyal services he had rendered to the citizens of Verdun and the people of this country.

This appointment proved to be the *causa causans* of my entry into public life after having practised law actively during more than 20 years.

On March 22 last, my Verdun constituents bestowed upon me the honour and grave responsibility of representing them in this parliament. I hope I will remain worthy of their trust and that I will, in turn, be of service to the Canadian community through devotion to work and study of national and international problems, under the competent direction of my elders and with the kindly co-operation of every member of this house. To them I extend thanks in advance while assuring them of my own willingness to co-operate.

The right hon. the Prime Minister (Mr. St. Laurent), no doubt desirous of honouring the constituency of Verdun and of expressing his indulgent confidence in one of his new colleagues—one who has had the pleasure and privilege of sitting here only for a few months—has asked me to move the address

in reply to the speech from the throne. Tradition requiring that he should be thanked for this, it is with pleasure that I wish to discharge this pleasant duty. I should like to extend to him, at the beginning of this new year, the respectful and grateful good wishes of my constituents, for health, happiness and peace. And to these wishes I also desire to add my own.

(*Text*):

Mr. Speaker, may I take this opportunity of offering to my dear French and English speaking colleagues, as well as to our assistants in this house my best wishes for a happy new year.

Upon resuming the sittings of this house we pause to deplore certain deaths and departures, and at the same time to take note of the arrival of new figures, some already known, but now covered with glory and greater responsibilities. The grim reaper has cut a swath in our ranks since the first session of this parliament. Even recently his fatal hand has torn two other public figures from the affections of their families, one the hon. member for Selkirk (Mr. Wood) and the other the Social Credit representative of the constituency of Battle River-Camrose (Mr. Fair). The former had sat in this house since 1949 and the latter since 1935, so they spent many years in the service of their fellow citizens and their country.

Time did not afford me the opportunity or the pleasure of knowing them intimately or even during the parliamentary debates, but I am aware of the warm memory which they have left in this house. To their respective families, to the leaders of their parties, to their friends and constituents, may I offer in the name of all those present our deepest and most heartfelt sympathy.

It is certainly a great satisfaction to those whose political careers are climaxed by appointments in other fields. However, those who remain find, with a mixture of joy and sadness, that their absence undoubtedly leaves a void. Three former cabinet members in this government are now exercising their talents in other fields. Undoubtedly, this is the result of official recognition of the numerous and eminent services they have rendered this nation. You have no doubt guessed by now that I am referring to the Hon. Brooke Claxton, who put aside the honours of his political activities to accept important responsibilities in the financial world, and to the Hon. D. C. Abbott, who has become a member of the highest court in the country, as well as to the Hon. Lionel Chevrier, president of the St. Lawrence seaway authority. To these three great servants of our country may I offer, in the name of all members of this house, additional congratulations to those expressed personally, and also our sincere wishes for their success. As we say on such occasions, *ad multos et faustissimos annos.*

(*Translation*):

On behalf of the French-Canadian population especially, I wish to call to mind the moving memories left in this house by the Hon. Lionel Chevrier. What a fine and distinguished personality! I have been in a position to appreciate his excellent formation, his moral and intellectual education, his transcendent talent, his high ability in the fields of politics, eloquence and management. How easy it was for him to state clearly and with urbanity the problems of his department, using one language and then the other as required, the way a ship goes from one port of call to another, from a near shore to a distant one! It is not surprising that the Prime Minister and his colleagues have deemed it advisable to channel his competence and his activities toward the very river along which he has exerted and will exert for a long time his beneficial influence.

But in parliament, as elsewhere, life goes on! In order to fill certain vacancies, the house has acquired new members, for instance my hon. friend and namesake, the member for Gatineau (Mr. Leduc) who is not unknown here; the member for Trinity (Mr. Carrick), who has the honour of seconding the motion for an address in reply to the speech from the throne; the member for Stormont (Mr. Lavigne); the member for St. Lawrence-St. George (Mr. Richardson) and, last but not least, the member for St. Antoine-Westmount (Mr. Marler), about whom I shall have something very special to say in a moment.

My hon. friends in the opposition will certainly appreciate my leaving them the chance to be the first to congratulate the new occupants of the seats that had become vacant through the death of some members. May I be permitted to associate myself with their respective leaders in their compliments. The opposition will not be satisfied with that however. They will very likely—it is their right—criticize the various bills and the other government measures they will be asked to consider. They will do so with more or less vehemence or assurance and always for constructive purposes if, as I hope their thoughts, their statements and their attitudes spring from courtesy, straightforwardness, integrity, and from a courage which can reach the level of pride. That is the best way to do something useful, and, according to Sir Richard Southwell, to be of good faith.

I would be angry with myself, Mr. Speaker, for not inviting the members of this house to commend the appointment to the cabinet

of my hon. colleague and friend, the member for Chambly-Rouville (Mr. Pinard) who, last summer, became a member of Her Majesty's privy council and Secretary of State. At the Montreal University law school, I had the opportunity to appreciate his good humour, his intellectual inquisitiveness, his zeal for work, his marked taste for arts and literature, his thirst for justice, and numerous other qualities. His great culture was soon to find expression in an eloquence not unworthy of Clemenceau himself. His oratorical triumphs are well known to all. Already officially recognized by Washington, they have just been acknowledged by Canada. I pray my hon. friend to accept anew our congratulations and wishes for a successful career.

Finally, the house is proud to welcome the new Minister of Transport (Mr. Marler). His long career as a notary and his concurrent participation in the administration of public affairs, as a member of the Montreal municipal council as well as of the Quebec legislative assembly, of which he was long a member and during the past few years leader of the opposition, have endowed him with the necessary experience, which augurs well for the Canadian nation. An untiring worker, whose courtesy has never defaulted, whose competence has often been hailed even by political opponents, in spite of their complex of superiority, the hon. member for St. Antoine-Westmount deserves our sincere congratulations and our warmest wishes for success on the federal scene.

In fact, I have today a unique occasion of drawing a parallel which may help foster Canadian unity. The province of Quebec has now the privilege of having in the federal parliament two political figures—and I shall not name any other—of different racial origins, well versed in law and having a wide experience in public administration, one of French origin, the right hon. the Prime Minister, and the other of English origin, the hon. Minister of Transport. Both of them speak with equal fluency the language of "fair France" and of "proud Albion". They have revealed themselves magnificent logicians, combining French dash and British coolness, both traits drawn at the very source of that duality of language and of different civilizations implanted in our country, and which constitute for the Canadian citizen a priceless asset, and, for our country, in the eyes of other international powers, an example likely to increase the power, prestige and cultural as well as economic maturity of the most beautiful country and the one which enjoys the greatest measure of freedom, our Canada.

May the example set by these two outstanding figures in this native land of ours be followed in all spheres of national activity.

The constituency of Verdun, which I have the honour to represent in this house and which I am required, by tradition, to extol, has a population of over 80,000 people, of which 47 per cent are of French origin and 47 per cent of English origin or, at least, English-speaking, the remaining six per cent belonging to various other racial groups.

The name Verdun comes from a part of France called the Ariège, and dates back to 1671, at least. Monsieur de Maisonneuve, before the arrival of the regiment of Carignan, had originally distributed lands in this district to eight freeholders, called by him Argoulets, who were, as a matter of fact, harquebusiers, musketeers, fusiliers, carbineers used as light infantry in fighting the Iroquois. In 1841 the Côte des Argoulets was called Rivière Saint-Pierre at times, and Verdun at others. With the adoption of its incorporating statutes it gradually and definitely became Verdun.

From a geographical point of view Verdun is bounded on the north and west by Montreal, on the south by Ville Lasalle and on the east by the St. Lawrence river, whose beauty is enhanced at that point by St. Paul island.

This electoral district, because of its proximity to the metropolis of Canada, is, on the whole, residential, commercial and industrial. There are, in Verdun, more than 1,200 corporations or private companies. Moreover, it has two hospitals, one Catholic, the other Protestant; it is sprinkled with beautiful churches most of which are under the patronage of the Blessed Virgin, and with spacious, modern schools which are still insufficient to fill the educational needs of the school-age population.

What gives Verdun its charm, besides the moral and civic qualities of its citizens and the perfect understanding between the various language groups making up its population, are its parks, its playgrounds, its fine auditorium, its promenade of more than five miles along the river. I must not forget to mention its outdoor swimming pool, which is highly appreciated by the youth of Verdun and of the whole neighbourhood. This swimming pool is so modern that interprovincial or international swimming and diving competitions are held there annually and there is such a heavy attendance during the hot summer week ends that the courteous and civic-minded people of Verdun are satisfied with merely admiring a part of the population of Montreal.

Verdun lacked only one important federal public service. It was a post office in line with the essential needs of its greatly increased population. Fortunately the Postmaster General (Mr. Cote) and the Minister of Public Works (Mr. Winters) have realized the urgency and the seriousness of the situation. Plans for extension of the post office are being prepared and carried out, and I would be remiss in my duty if I failed to thank them both for having lent a kind ear to my representations. May I voice the wish that this restoration of the Verdun post office may be worthy of the third French city in America, the fourteenth most important city in Canada, and that it may be extensive enough so that the people of Verdun may get a postal service beyond reproach.

Now, Mr. Speaker, if we glance at the modern history of our country, we can readily see that the right hon. the Prime Minister, the leader of the government, that efficient component of society whose duty it is to remove the obstacles which impede the progress of man towards his destiny and the pursuit of his ideal, has become famous for having held on to the course he had set for himself in the political creed which, in his first speech as a member of this house, he put in these words:

> The right of men, rich and poor, to be treated as men; the right of men to make the laws by which they shall be governed; the right of men to work where they will at what they will; the right of womankind to the serenity and sanctity of the home; the right of children to play in safety under peaceful heavens; the right of old men and women to the tranquillity of their sunset; the right to speak the truth in our hearts; the right to worship, in our own way, the God in whom we believe.

Freedom and security; such is the motto of the good father in the managing of the affairs of the state, both internal and external.

The implementation of such a political program was to have considerable and beneficial effects within the nation and beyond the seas. Not only was the prime minister duly acclaimed during his world tour, but he saw with his own eyes the marked progress towards his objective: recognition by the other nations of the globe of our distinctive national identity, of the Canadian citizen's broadmindedness as well as of his wish to fraternize with his fellow men.

There is no reason, then, to be surprised that so many important personalities have visited Canada since the last parliamentary session. There have been, among others: Her Majesty Queen Elizabeth, the Queen Mother, whose perfect bilingualism delighted and moved her audience; the Duke of Edinburgh; the Duchess of Kent and her daughter Princess Alexandra; His Majesty Haile Selassie, King of Ethiopia; the venerable Sir Winston Churchill, prime minister of the United Kingdom; the dynamic prime minister of the council of the French Republic, Pierre Mendès-France; Mr. Shigeru Yoshida, prime minister of Japan; Sir John Kotelawala, premier of Ceylon; the Right Honourable and Lady Swinton; the Austrian chancellor, Julius Raab, whose justified aim it is to obtain his country's sovereignty and independence; and lastly, that eminent statesman and distinguished scholar, Dr. Radhakrishnan, vice-president of India. Mr. Speaker, a politician's speech, be he the nation's head or a subordinate, should not be only "the adornment of his time, like a lovely lady". His words should be inspired by the social task to be achieved in the service of his people. For the natural tendency of man, in fact one of his permanent needs and ennobling aspirations, is the pursuit if not of perfect happiness, at least of comparative and lasting happiness. This vital instinct cannot be fulfilled without freedom, security, peace of mind and the minimum well-being essential to the development of his personality. Only in a state, or society, based on sound morals and on a legislation that has stood the test of actual experience will the honest citizen open his mind to truth and strengthen his will to serve the common weal. I scarcely need add that a sovereign country like ours will only keep its chances of progress and development if it can permanently enjoy the freedom, stability and national peace that are essential to the people.

That freedom, that security, that moral and economic stability, that national peace, we already have and our government is bending every effort to strengthen them. One has merely to point out the achievements, with far-reaching social and humanitarian effects, brought about during and after the last session of this parliament and about which I would like to say a few words if, by doing so, Mr. Speaker, I do not try your patience and that of our colleagues.

"Laws", said Ozanam, "are the soul of the land." The soul and action of the social legislation enacted by this government are proof of its desire that the science of government should become "the science of peace" and of the harmonious state.

Everyone remembers the amendments made last March to the National Housing Act in order to allow the chartered banks and

the savings banks of the province of Quebec to grant mortgage loans for the construction of houses. That new legislation does away, moreover, with the joint loans, replacing them by a system of insured mortgages through which the approved lender provides the whole amount instead of 75 per cent. Also, the maximum loan has been raised and the period of amortization lengthened from 20 to 25 years.

In this same field, we must applaud the conclusion of federal-provincial agreements with seven of the ten provinces, the greatest number of such agreements being with the province of Ontario where, according to a statement made in December last by the hon. Minister of Public Works, a large scale program of slum clearance and reconstruction has helped to change the face of Toronto. May Montreal follow that example and take advantage of that beneficent co-operation in order to overcome its problem of insufficient housing and overpopulated dwellings and to promote the disappearance of that social evil, the slum.

Another measure which has been comforting to many people is the act which has been adopted to help disabled persons and which came into effect on New Year's day. The governments of all provinces have announced their intention to sign an agreement with the federal government in order to improve the lot of this group of unfortunate people. That is another step toward greater co-operation between the federal government and that of my province, and I congratulate both of them. In this connection, it is a very pleasant duty for me to thank the Minister of National Health and Welfare (Mr. Martin) and my excellent old friend, the member for Terrebonne (Mr. Bertrand), for the manner in which they upheld that noble and sympathetic cause.

The house has without doubt learned with marked rejoicing some time ago that during the present session the government intends to help more extensively our veterans through an amendment to the law respecting their allowances and to show a deeper understanding for one of the most unfortunate groups of our society, the blind, in lowering the age at which the allowance is granted and increasing the maximum provided by the act.

With no mental reservation and with no intention to link these last statements with the problem of federal-provincial relations in the matter of taxation, I should be remiss in my duty if I did not express the hope that light may be thrown on the way to a fair settlement that would bring satisfaction to the taxpayers of the province of Quebec as well as to those of the other provinces.

The virtue of charity is not practised only within the borders of the nation. The Canadian government endeavours also to extend it to the international field. In fact, the Canadian contribution to the Colombo plan is intended mainly to help the economic and social improvement of the countries of south and southeast Asia.

To provide these countries with the means of improving and increasing their industrial and agricultural production, of extending their public and social services, of improving their administrative system by supplying them with materials, equipment, technicians, experts and administrators not only constitutes an undertaking of mutual assistance from which our country is the first to benefit in large measure but at the same time, if I am not mistaken, promotes the ideal of the free and democratic countries and increases their cohesive force.

Before concluding my remarks, I do feel compelled to mention the gigantic project undertaken recently, namely the deepening of the St. Lawrence seaway. There is no doubt that this 1,200-mile long seaway will greatly contribute to the economic development of our country. This happy undertaking, like other large public works which the government proposes to undertake, will stimulate industry, business and employment of labour. As a result of the building of canals, locks and even the development of power, our economic development will be much more rapid and unemployment will thereby come to an end. It will then be possible to ship, quickly and economically, to plants in the centre of the continent, millions of tons of ore mined in eastern Canada; it will be easier to move our wheat reserves to the various markets of the world, while decreasing the handling and shipping charges towards the east. The people of Montreal, Verdun and the surrounding communities will rejoice at the increase in business and activity in the harbour of our metropolis; it is said that this harbour will become an even more important link between ocean-going vessels and ships plying the great lakes.

The speech from the throne delivered by the governor general, which announces the introduction of certain bills, reflects the altruism of this government and its concern for its sister nations, the general economy of this country and the needs of all classes of our population. The amendments to the Unemployment Insurance Act will certainly help those who might not be able to find em-

ployment during the winter, and I hope that the benefits will be commensurate to the number of people in the same family, without abuse.

In this respect and, also, in respect to other measures mentioned in the speech from the throne, we may expect some lively debates, but I am confident that the members of this house will show no mercy to false principles and will devote all their efforts to the defence of the sound ones.

The philosophy of laws advises the legislator to recognize the immutable principles based on truth, justice and charity for the common good. These principles must be applied not only in the family, that basic element of our social structure, but also by the state, and even by a community of states. That is why it is wise and desirable for each and every one of us, in public or private life, to see to it that our individual or collective acts are perfected through our attitude and our conduct. The union of the members of our Canadian family will thus be made easier and more efficient. And the same holds true of the various peoples with whom these modern inventions keep us in daily and permanent contact.

Is this not, Mr. Speaker, the surest way to make this Canada of ours a mighty nation? Yes, mighty through the duality of its languages, its cultural heritage and its respect for its traditions. Ours will be a mighty nation since we shall have retained the courage of the pioneer who takes pride in sowing the grain and handling the tools. It will be a mighty nation since, in the light of the directions left for us by the makers of this confederation, we have had the wisdom to institute a healthy and efficient parliamentary system. It will be mighty too through peacetime labour and the sacrifices of two wars, since we have ceased to be as lowly ivy grafted to the trunks of other and more powerful nations to become a noble oak in our own right, a mighty nation, then, since, in the words of my father: "Canada has grown at the call of its own summit and will climb high along the road to the great destinies envisioned by the fathers of Canadian confederation."

For these reasons, Mr. Speaker, seconded by the hon. member for Trinity (Mr. Carrick), I have the honour to move:

That the following address be presented to His Excellency the Governor General of Canada:

To His Excellency the Right Honourable Vincent Massey, C. H., Governor General and Commander-in-Chief of Canada:

May it please Your Excellency:

We, Her Majesty's most dutiful and loyal subjects, the House of Commons of Canada, in parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious speech which Your Excellency has addressed to both houses of parliament.

(*Text*):

Mr. Donald D. Carrick (Trinity): Mr. Speaker, in seconding the address in reply to the speech from the throne I should like to congratulate the hon. member for Verdun (Mr. Leduc) upon the very excellent address he has just delivered. He has demonstrated that his reputation as an able speaker is well merited.

May I also thank the right hon. Prime Minister (Mr. St. Laurent) and the cabinet for the honour they have conferred upon the people of Trinity which I represent and upon myself by inviting me to second this motion.

It is a pity that the rules of the house do not permit hon. members to hear at this time the other recently elected members on this side of the house. I am sure they could discharge my pleasant task a good deal more ably than I can. However, hon. members will have the pleasure of hearing from them later on and no doubt it is a good idea to save some of the best things for the last.

My presence here as the member for Trinity will recall to the minds of some of you the late member for that constituency, Lionel Conacher. Lionel will be greatly missed in this house. He was most popular and had a strong feeling of affection for his fellow men. Many of us can recall watching Lionel when he was at the height of his athletic career distinguish himself in one of his many lines of athletic endeavour. What we admired was not so much the success he attained as the spirit and courage behind it. Lionel never quit in anything he did, and when he passed from our presence he was still giving the best that was in him.

When I think of the great men and women who have served this house in the past and their successors present at this time I am deeply conscious of the great honour it is to participate in this great work. A person not familiar with our parliamentary system and not realizing that it contemplates differences of opinion might be somewhat surprised at the sparks, not to use a stronger word, which sometimes fly from the pages of *Hansard*, but anyone familiar with our system knows that no matter how hon. members may differ in the means of attaining it, the object desired by all is the welfare of Canada.

The hon. member for Verdun has dealt so ably with general economic conditions in

Canada and certain internal matters that it would be presumptuous on my part to add anything to what he has said, but there are a few matters in the external field to which I should like to refer briefly.

The speech from the throne says that parliament will be asked for its continued support of the Colombo plan. Hon. members will recall that it was a mixture of political, humanitarian and economic considerations that prompted Canada along with the other participants to embark upon the Colombo plan in 1950. The original members of the plan, the British commonwealth countries and the federation of Malaya, Singapore, North Borneo and Sarawak, were joined by the United States in 1951.

The countries benefiting by the plan occupy one-sixth of the world's land area in south and southeast Asia and comprise about one-quarter of the world's population. The essential object is to help those countries to help themselves by furnishing to them economic aid and technical assistance which they can integrate with their own national programs. To date Canada has made available under the plan $120 million, as well as $5 million in the form of a special grant of wheat at a time of emergency, for which counterpart funds have been created for agreed development purposes. From Canada the recipients to date of both capital aid and technical assistance have been India, Pakistan and Ceylon, while some other countries have received a limited amount of technical assistance.

This year it is proposed to ask parliament to appropriate $26·4 million for the plan, which is $1 million over the appropriation for the current year. The $1 million increase will be used to increase technical assistance and to explore projects worthy of future development. Where projects of this kind are involved there is no question about the support being continued. It is only a question of the maximum this country can afford to provide in view of the difficulty of raising funds and the other pressing demands for expenditure.

The speech from the throne refers to certain responsibilities that are being assumed in Indo-China. Hon. members will recall that at the Geneva conference last year a cease-fire and armistice agreement was brought about. Subsequently Canada, together with India and Poland, was asked to appoint representatives to international commissions for Cambodia, Laos and Viet Nam. With a full recognition of the complexity and magnitude of the tasks involved the Canadian government consented to do this as a contribution to peace in east Asia.

At the present time the commissions are engaged in the military phase of the armistice. Elections are called for in 1956 in Viet Nam, which will elect an all-Viet Nam government, and Canadian services cannot be fully performed until after that date. At the present time there are about 160 Canadian personnel, both military and civil, in the area. These obligations involve financial burdens which Canada is only too glad to assume in pursuance of its policy to promote peace anywhere and at any time.

Reference has also been made in the speech from the throne to the Paris pacts which will come before the house for consideration involving the restoration of sovereignty to West Germany along with limited rearmament. Hon. members will recall that it was sought to bring West Germany into the western collective security system through the medium of the European defence community. The EDC treaty failed of ratification before the French assembly in August of last year. The possibility of the French assembly refusing to ratify the EDC treaty had been foreseen and alternative plans were laid before it came up in the French house, which were consummated in the form of the Paris agreements in October.

The proposal to rearm Germany has caused great concern in the minds of many people. They have not forgotten that Germany has plunged the world into two wars within our generation, and they are asking themselves whether the rearmament of Germany forebodes the revival of the nazi mentality with its theories of racial superiority, militarism, genocide, the concentration camp, and the gas chamber. These are misgivings that any reasonable person might feel.

The problem, however, has to be faced as to what is going to be done with Germany. It must be abundantly clear, at least for the time being, that it is not possible to reach any agreement with Russia. Deadlock was reached in the two conferences of the foreign ministers held in Berlin in 1949 and 1954, and it would appear at the present time that the western powers are obliged to proceed without any agreement with Russia.

The proposal is to restore sovereignty to Germany and to authorize Germany to have a maximum armed force of 500,000 men. This force will be combined with the armed forces of the western countries. A limit is to be placed upon the war potential of western Germany and an agency is to be set up to

supervise the limitation placed upon the size of the armed forces and the war potential. Hon. members will await with keen interest the explanation to be given for these developments by the Secretary of State for External Affairs (Mr. Pearson) who has done so much for the cause of peace and security in the free world.

Canada has continued its quest for peace through the United Nations. There has probably been no field in which it has been more difficult to reach agreement than in that of disarmament. Russia's intransigence is well known to all hon. members. However, a notable event took place last August when agreement was reached among Canada, the United Kingdom, France, the United States, and the Soviet union to co-sponsor a disarmament resolution in the general assembly of the United Nations. No small part of the credit for this achievement is due to the Minister of National Health and Welfare (Mr. Martin), in his capacity as vice-chairman of the Canadian delegation to the United Nations. He initiated the resolution and negotiated it through to its conclusion. The resolution, of course, did not solve any of the substantive problems of disarmament, but it did remove what appeared to be an immovable roadblock in the way of further negotiations and discussions on disarmament.

I would now like to make a brief reference to the riding which I represent, Toronto Trinity. There are many things I would like to tell hon. members about my riding but I will keep my remarks very brief in order to fit into the plan of abbreviating the proceedings at the opening of parliament.

The predominant feature of Trinity riding is the mixture of races and peoples living within its boundaries. Up to about 20 years ago the population was composed largely of British families, with a substantial Jewish population, but great changes have taken place in the last 20 years. The main causes for these changes were the upheavals caused by Germany and Russia. People have come from every country in Europe to escape the persecution and mass destruction of the Germans and the tyranny and enslavement of the Russians. They have also come to Trinity riding from some of the free countries of western Europe, hoping to find in Canada economic opportunities and security which they could not find in their own land.

[Mr. Carrick.]

Housing is a pressing problem for the people of Trinity riding. There are, I regret to say, slum conditions and overcrowding, and what this house does on the question of housing will be of vital importance to my constituents.

Full employment is also a matter of considerable importance. Many people in my riding have not been able to put money aside for a period of unemployment. Many of them are newcomers. Though there is a certain amount of seasonal unemployment, it appears to be aggravated to some extent by general conditions. Unemployment insurance has taken care of physical needs, but it is to be hoped that if a person is unemployed through no fault of his own and is unable to receive unemployment insurance, some means will be found to see that neither he nor his dependents are left destitute.

Immigration is also a matter of great concern to the people in my riding. Many have come from the darkness behind the iron curtain into the light in Canada. Others have come from overcrowded countries in Europe. These people are good Canadians with a profound love for Canada. They have not, however, forgotten their loved ones, relatives and friends in the countries of their origin, and their greatest hope is that some day these people may be allowed to come to Canada to breathe the air of freedom and hope.

As indicated in the speech from the throne, parliament will soon be grappling with the tangled problems of welfare benefits, old age pensions, and war pensions, all of which are of great concern to the people in my riding. In addition to the older folk in their own homes, there are three institutions in Toronto Trinity which house about 1,000 people, dependent entirely upon old age or war pensions. Every hon. member in this house is in favour of increasing these pensions if only a way can be found to do so, and the money somehow obtained.

It has been an enriching spiritual experience to represent Trinity riding. On the Sabbath one sees Roman Catholics, Jews and Protestants going to their own churches to worship God in their own way, seeking guidance to live better lives and bear the trials and burdens of the day. One sees men and women of different ethnic groups mingling on terms of tolerance and friendship. The newcomers to Canada are developing a great love

for Canada and are making their contribution to those ideals of affection, understanding, and tolerance which inspire most Canadians.

At this juncture, Mr. Speaker, I would like to formally second the resolution submitted by the hon. member for Verdun (Mr. Leduc), but before concluding I would like to make a few remarks with reference to the right hon. Prime Minister (Mr. St. Laurent). All history testifies to the profound influence individuals exercise over human affairs. When the history of the last few years has been written, it will record with gratitude the contribution of wisdom and foresight made to Canada by the Prime Minister. Whether he is at home or abroad in the countries of the world Canadians are proud that Canada has been able to produce a man like him. We value his Christian character, his courtesy, and his wisdom. We rejoice that he is with us in good health and good spirits. May the good Lord preserve him for many years to guide our deliberations.

On motion of Mr. Rowe the debate was adjourned.

Mr. Harris: I move that the house do now adjourn until Monday at 2.30 p.m.

Motion agreed to and the house adjourned at 4.41 p.m.

HOUSE OF COMMONS

Monday, January 10, 1955

The house met at 2.30 p.m.

DIPLOMATIC INSTRUMENTS

ACCESSION OF THE FEDERAL REPUBLIC OF GERMANY TO NORTH ATLANTIC TREATY ORGANIZATION

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I would like to table three copies in English and in French of the protocol to the North Atlantic treaty on the accession of the Federal Republic of Germany, signed at Paris, October 23, 1954, and three copies in English and in French of the agreements relating to Germany concluded at Paris on October 23, 1954.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, this protocol, I feel, is very important and I wonder if it would be possible to have it printed as an appendix to today's *Hansard*.

Mr. Speaker: By unanimous consent.

Some hon. Members: Agreed.

(For protocol above referred to, see appendix, page 59.)

INDUSTRIAL STATUS OF WOMEN

MEASURE TO REQUIRE EQUAL PAY FOR EQUAL WORK

Mrs. Ellen L. Fairclough (Hamilton West) moved for leave to introduce Bill No. 2, to provide equal pay for equal work for women.

Motion agreed to and bill read the first time.

INTERNATIONAL RIVERS

PROVISION REQUIRING LICENCE FROM GOVERNMENT OF CANADA TO CONSTRUCT, OPERATE AND MAINTAIN ANY IMPROVEMENT

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved for leave to introduce Bill No. 3, respecting the construction, operation and maintenance of international river improvements.

Mr. Knowles: Explain.

Mr. Howe (Port Arthur): This bill will provide that a licence from the government of Canada will be required by anyone who shall construct, operate or maintain any improvement in any river flowing from any place in Canada to any place outside Canada. The definition of the word "improvement" includes a dam, obstruction, canal, reservoir or any other work the purpose of which is to alter the natural flow or to interfere with, alter or affect the actual or potential use of an international river outside Canada.

The provisions of the act apply to the government of Canada, to the government of a province and to any private individual. The bill provides that all international river improvements heretofore or hereafter constructed are declared to be works for the general advantage of Canada.

Motion agreed to and bill read the first time.

POWER, FLUIDS AND GAS

LICENSING CONTROL OVER EXPORTATION OF ELECTRIC POWER AND FLUIDS, AND IMPORTATION OF GAS

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved for leave to introduce Bill No. 4, to regulate the exportation of power and fluids and the importation of gas.

Mr. Fulton: Explain.

Mr. Howe (Port Arthur): This bill revises and consolidates the present Electricity and Fluid Exportation Act. It retains licensing control over the exportation of electric power and over the exportation, by pipe lines, of petroleum, natural gas and other fluids. It extends control to the importation of gas. Strict licensing provisions are maintained subject to suitable amendments limiting the revocation of licences to cases in which a licensee refuses or neglects to comply with the terms or conditions of the licence. The bill retains present export duties on exported power and removes the authority to impose similar export duties on petroleum and gas.

Motion agreed to and bill read the first time.

Inquiries of the Ministry

INCOME TAX EXEMPTION

REQUEST FOR STATEMENT ON NEGOTIATIONS BETWEEN GOVERNMENT OF CANADA AND PROVINCE OF QUEBEC

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I desire to ask a question of the Prime Minister of which I have given him notice. The question is as follows: Having regard to the widespread public interest in the negotiations between the dominion government and the province of Quebec in the matter of tax exemption, and to the fact that there was no reference made to it in the speech from the throne, is the Prime Minister prepared to make a statement on the subject?

Right Hon. L. S. St. Laurent (Prime Minister): I thank the hon. member for sending me notice of his question. I regret to have to say that I am not yet prepared to make a statement on the subject matter referred to in the question.

GRAIN

INQUIRY AS TO RATES ON MOVEMENT THROUGH VANCOUVER

On the orders of the day:

Mr. J. L. MacDougall (Vancouver-Burrard): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Can he make a statement now with respect to the rates on grain going through the port of Vancouver?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I should prefer to take this question as notice and to make a statement at the next sitting.

TRANS-CANADA AIR LINES

STATEMENT ON REPORTED NEAR TRAGEDY AT MOOSE JAW

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to direct a question to the Minister of Transport. What explanation does the minister have of the report that, in spite of the tragic accident at Moose Jaw last year, another near-tragedy should have occurred at the same place and under almost identical circumstances? May I ask what steps are being taken to deal with this matter?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, an investigation of the alleged near mid-air collision between an R.C.A.F. Harvard and a T.C.A. North Star in the vicinity of Moose Jaw on 6th January, to which the hon. member has just referred—and I wish to thank him for having given me notice of his question—has been completed by the Department of Transport with representatives of the R.C.A.F. and T.C.A. present, including the pilots of both the aircraft involved. This investigation shows the newspaper and radio reports to be grossly exaggerated and misleading.

The R.C.A.F. Harvard, captained by an experienced flying instructor with some 4,000 flying hours to his credit, was on a navigation training flight with a pupil pilot. The T.C.A. North Star, also with a very experienced captain, was on a scheduled flight from Winnipeg to Calgary. The weather was clear with bright moonlight and good visibility.

The course of the North Star was 250 degrees and that of the Harvard 288 degrees. The aircraft instruments showed both aircraft to be flying level; the North Star at 6,000 feet and the Harvard at 5,500 feet above sea level; with the speed of the North Star being almost twice that of the Harvard.

Thus, at the time of sighting one another the T.C.A. North Star was behind and overtaking the Harvard, with the Harvard slightly to the left ahead and at 500 feet lower altitude, their courses thus crossing on an angle of 38 degrees with a height separation of approximately 500 feet between them. These conditions were in conformity both with the authorized pre-flight plans of the two aircraft and with the air regulations which govern civil and military aircraft.

The navigation lights of both aircraft were flashing normally and the first pilot to sight the other aircraft was the T.C.A. pilot, who was in the overtaking position.

The Harvard captain very shortly thereafter sighted the lights of the other aircraft approaching from his right rear, at which time both pilots, as a precautionary measure, altered course away from the other aircraft and then resumed their original courses after the faster aircraft had passed. The T.C.A. pilot at no time found it necessary to carry out any violent manoeuvre; in fact his turn involved a bank of 35 degrees only and, so far as is known, disturbed none of the passengers. However, one passenger sighted the other aircraft through a window and apparently became unduly alarmed, which may be explained by the fact that it is more difficult to judge distances, angles and relative altitudes at night than in daylight.

In this instance the occurrence was not a near catastrophe, as much of the publicity concerning it would indicate. In fact, both pilots acted in conformity with the air regulations which are designed for such occurrences and which, in fact, proved their practicability in this instance.

The Harvard was crossing the airway along which the T.C.A. aircraft was flying, and existing regulations require height separations at intervals of 500 feet in such circumstances.

The T.C.A. aircraft, in altering course to the right and avoiding passing over or under the Harvard, complied with the air regulations.

It is of course essential that air regulations be maintained constantly up to date and adequate to keep pace with the rapid progress of aviation. To this end the responsible departments of government and the civil agencies concerned will continue to utilize the information obtained from this and all such incidents to determine what further improvements, if any, to air regulations may be required in the interests of safety.

Mr. Coldwell: May I ask a supplementary question? Is 500 feet the distance laid down by international regulations or by our own regulations?

Mr. Marler: By our own regulations.

Mr. Coldwell: Does the minister consider 500 feet to be enough if the weather is not good?

Mr. Marler: I consider that 500 feet is quite adequate having regard to the conditions of visibility that were referred to in this instance.

Mr. Coldwell: Under that condition, but what about other conditions?

ATOMIC ENERGY

INQUIRY AS TO GOVERNMENT ASSISTANCE TO PRIVATE EXPERIMENTAL PLANTS

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to direct a question to the Minister of Trade and Commerce. Will the minister advise the house whether the government has any plans for Canadian industry similar to those announced by the United States government in Washington yesterday in order to help private industry develop and operate experimental atomic power plants?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, Atomic Energy of Canada Limited has been carrying out a plan similar to that announced in the United States. At the moment some six or eight private industries in Canada have been invited to submit proposals for a joint project of the type mentioned in the article, and it is expected that those proposals will have been submitted by early February. When they are received it is hoped that a joint operation can be carried out between the Chalk River establishment and the selected private firm.

CANADIAN WHEAT BOARD

THEFT OF CHEQUES IN ROWLEY DISTRICT—INQUIRY AS TO PAYMENT

On the orders of the day:

Mr. Victor Quelch (Acadia): I wish to address a question to the Minister of Trade and Commerce. Is he in a position to say whether the farmers of the Rowley district, whose wheat board cheques, according to a press dispatch, were stolen en route to their destination, will have new cheques issued to them in the near future?

Right Hon. C. D. Howe (Minister of Trade and Commerce): In reply to this question, under date of January 7 the Canadian wheat board issued a press release announcing that certain cheques due producers at Rowley had not been received by the payees. The disappearance of the cheques is under investigation by the Royal Canadian Mounted Police. The statement goes on to say that several of the cheques have been illegally cashed which would suggest that forgeries have taken place.

In circumstances such as these it is the practice to have the payees sign an affidavit that the cheques have not been received. The wheat board will undertake the necessary steps towards the replacement of the cheques as soon as possible.

CANADIAN NATIONAL RAILWAYS

INQUIRY AS TO CESSATION OF LAY-OFFS AND REINSTATEMENT OF THOSE ALREADY LAID OFF

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport? Can the minister give the assurance that we are at the end of lay-offs by the Canadian National Railways? Can he say how soon those laid off in recent months will be reinstated?

Hon. George C. Marler (Minister of Transport): I am afraid I shall have to accept the question of the hon. member as notice and attempt to reply at a later date.

TRADE

VISIT OF CERTAIN MINISTERS TO WASHINGTON—UNITED STATES POLICY RE QUOTAS

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Minister of Trade and Commerce. Is he in a position

to say anything regarding the visit of three ministers of the government to Washington recently, and whether or not the United States government has given any indication that it intends to discontinue its apparent policy of applying quotas and embargoes against Canadian agricultural products?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Before the debate on the address in reply to the speech from the throne is completed I hope to make a statement on Canadian trade policy which I think will contain the information my hon. friend is seeking. The visit to the United States concerned a number of matters. It would be difficult to answer the hon. member's question categorically, but I think the information will be forthcoming in the next two or three weeks.

SNAGBOAT "SAMSON"

REPLACEMENT FOLLOWING LOSS BY FIRE

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): I should like to direct a question to the Minister of Finance, notice of which I sent him earlier. Is the snagboat *Samson*, recently gutted by fire while in New Westminster harbour, fully covered by the fire losses replacement act?

Hon. W. E. Harris (Minister of Finance): My understanding is that the Department of Public Works owns the snagboat referred to. If that department chooses to repair the boat or to replace it, I understand that, with the consent of the treasury board, funds can be used under the act mentioned by the hon. member.

CHEESE

IMPORTATION FROM NEW ZEALAND—INQUIRY AS TO CHANGE IN REGULATIONS

On the orders of the day:

Mr. H. O. White (Middlesex East): I should like to direct a question to the Minister of Agriculture. Does the minister plan to make any change in the regulations that now permit the importation of New Zealand cheese when there is a surplus of cheese and other dairy products in Canada?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, there is no prohibition on the importing of cheese. There is a duty on cheese, and technically anyone can ship cheese into Canada who can do so over the duty. A verbal arrangement was made with New Zealand at a time when we were having difficulty exporting to the British market. New Zealand was asked not to ship cheese to this market. The circumstances under which the request was made have changed. New Zealand was pressing to be relieved from that verbal arrangement and there seemed to be no very good ground for insisting that it be continued. The shipment of cheese has been made in the ordinary course of business in the same way that anything else is exported to Canada. I suggest it is a mistake to say that we allowed the import. The normal laws of the land were allowed to function in this matter.

Right Hon. J. G. Gardiner (Minister of Agriculture): In order that there will be no misunderstanding, I want it completely understood that I fully agree with what the Department of Trade and Commerce did.

Mr. Knowles: That is one for the record.

Mr. Argue: Who made the verbal agreement?

Mr. Rowe: We are glad to know that.

Mr. Cardiff: Was it not necessary to have a special permit to bring in cheese inasmuch as cheese was a commodity under price support?

Mr. Howe (Port Arthur): During the war years a permit was required to import cheese, for the reasons stated by my hon. friend, but at the moment cheese is not under price support so far as I am aware.

Mr. J. M. Macdonnell (Greenwood): May I direct a question to the Minister of Agriculture of which I have not given him notice? In view of the assurance that he gave a moment ago that he agreed with the Minister of Trade and Commerce, may I ask the Minister of Agriculture if we have now abandoned the doctrine of cabinet responsibility and whether, when a minister makes a statement, we now have to ask if the other members of the cabinet agree with it?

Mr. Gardiner: I was merely drawing attention to the fact that the hon. member who asked the question did not ask it of the right minister. I did not know exactly what might have been in his mind so I thought it was necessary to say what I did.

(*Translation*):

VETERANS AFFAIRS

QUEEN MARY HOSPITAL, MONTREAL—PRESENT EMPLOYMENT OF FORMER DIRECTOR OF NURSING

Mr. J. W. Dufresne (Quebec West): Mr. Speaker, I should like to address to the Minister of Veterans Affairs a question of which I have given him notice.

Has Miss Henderson, formerly superintendent of nurses at the veterans hospital, Queen Mary road, Montreal, been reappointed by the department? If so, where, in what capacity and at what salary?

Hon. Hugues Lapointe (Minister of Veterans Affairs): Mr. Speaker, Miss Henderson, to whom the hon. member has been referring, has never ceased to be employed by the Department of Veterans Affairs. At the present time, she is superintendent of nurses at the Rideau health and occupational centre where she receives the salary already set for that position by the civil service commission.

Mr. Dufresne: It is definitely paying too much for racial discrimination.

(*Text*):

PUBLIC SERVICE

RESIGNATION OF DR. L. B. THOMSON AS DIRECTOR OF P.F.R.A.

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Prime Minister arising out of the attempted resignation of Dr. L. B. Thomson as director of P.F.R.A. Has there been any change in the precedents heretofore existent whereby civil servants are not allowed to offer tentative resignations to take place only in the event of an uncertain political event turning out in favour of the applicant?

Right Hon. L. S. St. Laurent (Prime Minister): In view of the many qualifications of the hon. member's question, I should like to read it in *Hansard* before I make an answer.

Mr. Rowe: I do not blame him.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Friday, January 7, consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Hon. W. Earl Rowe (Acting Leader of the Opposition): Mr. Speaker, in the deeply regretted absence of the Leader of the Opposition (Mr. Drew) I find it my responsibility today to speak on behalf of Her Majesty's Loyal Opposition. I feel that I speak on their behalf when I congratulate the hon. member for Verdun (Mr. Leduc) and the hon. member for Trinity (Mr. Carrick) on their first speeches in this house. They were both good speeches and I know that each hon. member was a credit to himself and to his constituents.

They were cautious and careful speeches, and rather complimentary to the government that they support. We certainly wish for them many years of good health and happiness, and a useful career in the Canadian House of Commons.

As has been our time-honoured custom, the speech from the throne was prepared by the advisers of the crown, and this particular one was certainly neatly written. It is conspicuous in many respects, but it is more conspicuous for what is not contained in it than for what is in it. In fact, it is as peaceful as a New Year's greeting, even though conditions throughout the country are not very good. The generalities that do glitter chiefly in the speech from the throne concern the things that were proposed by the members of the opposition on different occasions. The darker spots of our national economy seem to be submerged in a long list of local community projects which we felt should have been accomplished long ago.

We are told, Mr. Speaker, that the Prime Minister (Mr. St. Laurent) is to attend the commonwealth conference towards the end of this month. As members of the opposition, I am sure we are all very glad to find that at last the government is showing some concern at least about such a commonwealth conference, and that in accepting the invitation the Prime Minister is not sending some of his junior cabinet ministers but is going himself. This reminds me that some five years ago I did propose we should have a commonwealth conference, and the hon. member for Prince Albert (Mr. Diefenbaker) supported that motion. I believe that on another occasion he moved a similar motion. Every year since that time members of the opposition have pressed the government for such a conference, even when members of the cabinet were throwing gibes across the floor as though there was no danger to the country.

I know the hon. Minister of Agriculture (Mr. Gardiner) can recall the witty gibes he used to throw at me, as though there was nothing happening to our markets. On one occasion he said our markets were better than ever, and by 1952 we would be in a stronger position in the British market than we ever had been in history. On different occasions we warned the government that the market was slipping away. We warned them of the danger, Mr. Speaker, when the United Kingdom was negotiating contracts with foreign producers. No heed was taken

of our warning. It is said that history repeats itself. I have been in this house long enough to see the party that sits to your right lose the British market on two occasions. Now they have lost it again. I am glad that the Prime Minister at last has said, "I will take hold of this myself; these other boys are not doing very well".

Mr. Fraser (Peterborough): Here is hoping he can do better.

Mr. Rowe: Yes, the hon. member for Peterborough can say that, but I am afraid his hopes are a little bit late. It is extremely difficult to have much influence at a conference in which you have not taken much interest before.

We wish him good luck, Mr. Speaker. I hope he has a safe voyage, and I hope he has good luck. He is an influential man in Canada, and I hope he is over there as well. Even some of his own followers agree with that. There are matters, I feel, to be considered at this coming conference in connection with the expansion of our trade, not only the sale of our wheat but other farm products as well. In fact, the sale of our other farm products has practically disappeared. We talk about our great advancement. We were told by these travelling salesmen, who have been going all over the world at great expense, that there was no danger of losing that market. We are selling the United Kingdom less mixed farm products than we did 40 years ago; in fact, we are selling practically none. The convertibility of exchange, and other subjects, are vital not only to the Canadian farmer but also to producers generally in Canada.

It seems to me it is about time that these gentlemen who have been going all over the world looking for markets, looked a little more east and west, and realized that our most favourable trade balances throughout the years have come from our trade with the United Kingdom. We would be very much interested, therefore, in knowing what the agenda of this conference is going to be. It seems to me almost contrary to our parliamentary practice to have an important conference such as this coming along when no one in the house really knows the subjects with which the conference is going to deal. In fact, I wonder if the Prime Minister himself knows. I hope that if he does he will let us know something about the agenda before the event is over.

In any event, I do believe that the people of this country expect the Prime Minister of the senior dominion of this great partnership, the British commonwealth, to be the leading influence in strengthening our British relationship and to do everything he can to restore the markets that have been lost under his party's government.

I am sure my colleague the hon. member for Royal (Mr. Brooks) will have read the speech from the throne with a little chuckle to himself. He will feel he has been useful here, and he will be glad that at last the government has heeded his plea on behalf of the war veterans, as indicated in the speech. I know the hon. member for Vancouver-Quadra (Mr. Green) will be happy, because on so many occasions I have heard him trying to blast out that Ripple Rock near Vancouver. I know he will be glad to learn the government has listened to him. No doubt the hon. member for Prince Albert (Mr. Diefenbaker) will be disappointed because, after pleading for that Saskatchewan dam for some ten years, he has to reconcile himself to the fact that it will be brought up at the next election campaign.

The hon. member for Queens (Mr. MacLean) will be happy, too, when he learns from the speech from the throne that steady progress is being made towards the inauguration of the new ferry service, and that after all his pressure this service is going to be established between Prince Edward Island and the mainland of Nova Scotia this summer. These are some of the spots that glitter a little bit.

The hon. member for Hamilton West (Mrs. Fairclough) and the hon. member for Ontario (Mr. Starr) will also be happy to observe from the speech from the throne that their sustained pressure has brought some results and that the Unemployment Insurance Act is to be amended by way of increasing the supplementary benefits during the winter months, when it is expected unemployment will be worse than it is at present. On behalf of my colleagues in the official opposition, I thank the government for at long last responding to some of these pressures in connection with these local and municipal problems.

However, the dark realities and the dangerous trends that are stalking before the people of this dominion are all carefully ignored and recklessly disregarded in the speech from the throne. Why, Mr. Speaker, it does not show a fair picture of Canadian conditions at all. Can it be that this government has grown so strong that they think opposition is unnecessary, so strong that they think opposition has very little place in the present trend of events? The government has

grown so powerful, so large, so gigantic that it has almost fallen asleep with its own weight.

We see very little in this speech from the throne. Even the Minister of Finance (Mr. Harris), who helped to prepare it, now laughs at it. This does not present the picture in Canada at all. To get the true picture one must read editorials, talk to men who are connected with labour, talk to the farmer, talk to the housewives. Let them talk to the housewife who says "Jack is out of work"—and the government holds a mortgage for the next 20 years during which they have to pay for the roof over their heads.

One has only to talk to the labour men throughout the country who stand in need of help because they have lost their jobs and who see no hope of solution. They see no proposal made by this government in any shape or form for their relief.

These are realities that hurt. These are realities that are familiar to the men and women who have little children to care for, men and women who have girls and boys of university age, who want to maintain our high standard of living and who do not want to take their children out of universities merely because they have lost their jobs.

No, they do not want that. Despite the lip service we have heard for such a long time about the great problem of national unity, we see nothing in the speech from the throne—no mention or reference whatever—to the long-awaited dominion-provincial conference. The Prime Minister has said that he will study the question asked by the hon. member for Greenwood (Mr. Macdonnell). Well, he has been studying it so long that everybody is wondering whether or not his silence is golden.

There is no mention in the speech from the throne of the increasing unemployment problem. There seems to be no concern whatever about our decreasing export trade. There seems to be no worry at all about the increase in our cost of government and at the same time the decrease in our national revenue. Evidently there is no desire even to study the decline in the markets for farm products and the high cost of production.

On the other hand we are told in this speech from the throne that our national economy is in a very healthy condition. Indeed it is now so healthy that it says it is in a very healthy condition. Well, Mr. Speaker, when His Excellency the Governor General read that he must almost have choked—because I am sure His Excellency reads the newspapers. He must have been greatly surprised when he read in the speech from the throne that unemployment is only regional and seasonal. No wonder the Minister of Finance laughs at that, Mr. Speaker.

Can he rise in his place in this House of Commons and tell me one region in Canada where today there is not serious unemployment? Can any of these cabinet giants rise and tell me now that in his own district there is not serious unemployment? Can any of them rise and tell me that it has not increased?

Mr. Murphy (Lambton West): Can any of them rise?

Mr. Rowe: I had not thought of that. They do not seem to rise to the occasion when these emergencies develop. But occasionally they rise when everything is bright and cheerful.

Yes, Mr. Speaker, we are told in one paragraph of the speech from the throne that our national economy is in a healthy condition, and that we have a little unsold wheat. We are told the reason our national revenue is not as high as it was is due to the fact that our wheat crop this year has not been as good. Well, Mr. Speaker, they have not sold last year's wheat—and they have even a large quantity of the wheat harvested the year before. Yet we are told that the reason for the little slump is that we had a poor wheat crop this year. If we had had a good crop they would not know what to do with it, because they have not sold even the good crop we had last year.

Yes, we are told that the unemployment is seasonal and regional. Yet, according to the figures issued by the unemployment commission—to say nothing of the thousands not recorded and the further thousands who are on part-time work, as well as the thousands who will be let out within the next few months, if there is anything to this seasonal feature—there are 40,000 more unemployed today than there were at this time last year. Yes, there are 40,000 more. And if the trend continues even at the same rate as last year—and there is no one who will rise and say that it will not do so—we can anticipate keenly that before 60 days shall have passed 600,000 people in this young country will be unemployed—and perhaps even more than that.

But, no, Mr. Speaker. This is only seasonal; this is only regional. It is just a passing phase, like a shadow in the night. Well, a great friend of this most important element in Canadian society—the workingmen—and

a keen student of their problems, Mr. A. R. Mosher, president of the Trades and Labour Congress of Canada—

An hon. Member: Oh, oh.

Mr. Rowe: I should say president of the Canadian Congress of Labour—I am glad my hon. friend knows the difference—has made this statement:

> In domestic affairs, one of the most disturbing factors as we enter the new year is the army of unemployed workers. A slight improvement in employment took place during the summer months, but the situation is again becoming extremely serious, and there is little, if any, prospect of adequate action by various levels of government to bring about an improvement.

Indeed, had these cautious advisers of the crown included that paragraph in the speech from the throne, it would at least have given a touch of reality to the problem itself. Instead we are told by the speech from the throne that it is only regional and seasonal. There is little hope for a sound solution to a problem which the government seems to refuse to see.

I do not know how the speech from the throne is prepared—or at least how recent speeches have been prepared. But it might be well in future, if those who prepare it are so weary as to omit these things, that they should call in some others to give some assistance. Because, really, this speech from the throne is a reflection upon the House of Commons when, at a time like this, the government brings down a document that does not mention these real and serious problems.

Instead of this we are told that everything will be all right. We of the opposition believe, of course, that these more or less local projects proposed for construction this year are well merited. In fact, Mr. Speaker, all of them should have been done before, and we have told the government so, in the House of Commons, on repeated occasions.

However, we do not believe that the Cape Breton causeway or the North Sydney-Port aux Basques ferry, or the Prince Edward Island ferry, or the removal of Ripple Rock, or the development of some historic sites or the placing of a few monuments throughout Canada will solve permanently this unemployment problem. We do not believe that.

No, Mr. Speaker. But the government dare not touch the issue that is staring them in the face. And there are underlying economic reasons for this situation that they refuse to admit. There are relief policies that they seem to be afraid to adopt.

In this day and age, with unprecedented world advancement, Canada's economic progress should not falter at a time like this. We are in the midst of great world advancement. Despite the times and the international conditions which may threaten our security, we must realize that we stand geographically in the centre of that advancement.

Look, Mr. Speaker, at the United Kingdom. I will venture to say that some of my friends to the right, when they hesitated about having conferences with her a few years ago, thought that she had gone broke. But look at the way she is coming back. Look at what is happening in West Germany and in Europe. Look at what is happening to the great republic to the south of us whose population has increased in a time of great prosperity in the last 15 years more than the total population of Canada. Why should we, a young country, falter in advancement at this time? We have no reason for long-term pessimism. When we point out these problems do not let any little squeaky voice from the back benches tell us it is blue ruin. It is blue ruin when you do not face realities whether in your own affairs or in public affairs. When we point out these things we are not preaching blue ruin.

No one within sound of my voice wants a depression in this country. Heaven knows we have been through that problem before. We want to avoid a depression. We do not want a depression in the midst of plenty. We do not want unemployment in a time of world advancement. It is bad enough to have it at a time of world depression, as we had some years ago. Oh, you like to harp on and talk about the 1930's. No one was more responsible for that than those who sit to your right, Mr. Speaker. As they left office in 1930 they left every elevator full of unsold wheat, and every lumber yard that had not been burned almost full of unsold lumber.

That condition was brought about through a lack of policy in those days, Mr. Speaker, and it is being brought about through a lack of policy today. We had a British market in 1925. In 1921 we sold 250 million pounds of bacon and 77 million pounds of meat to Great Britain. What do we sell her now? Now we are importing cheese from New Zealand. The Minister of Agriculture (Mr. Gardiner) says: "Me too." I say: "Yes, yes."

The Minister of Trade and Commerce (Mr. Howe), who is a shrewd businessman, is too busy to understand agricultural problems, but he must have more encouragement. All he gets from the Minister of Agriculture is: "Me too." That is all right.

Indeed, the richness, vastness, and variety of our potential resources justify our keen national pride and betoken a long-term economic greatness that could well exceed our most

optimistic dreams. This country must go ahead; this country has gone ahead. This country will go ahead in spite of the weakness of the policies of the present government. However, we must march and move with the changing times through which we pass.

Yes, Mr. Speaker, conditions change swiftly as the years pass. When I entered this house some few years ago 40 per cent of Canadians worked and toiled in agriculture in Canada. Some 20 per cent worked in industry. Today about 40 per cent are dependent upon industry and about 15 per cent or 16 per cent are employed in agriculture. The revolution of agriculture has advanced all the way along. Who believes that we can put the millions of people that we need in this country and the boys and girls now growing up, the millions that want to come from Europe whose brothers and sisters have made good citizens of Canada, in agriculture? Still we have that antiquated policy that in order to get into this country the individual must be able to farm. Because of government policy there is nothing else to do and there is not much to do on the farms today, because of changing conditions.

During the war and defence boom years, when our resources and industries were needed so vitally, when every bit of energy we could produce was needed and every factory was called upon, with even frame buildings put up for the manufacture of goods, this government took great credit for our expanding economy, full employment and consequent prosperity. Now they write a speech from the throne that does not mention these things. Some $14 billion was poured into the European economy by the United States of America, and Canada under the Marshall plan lent $1¼ billion to enable them to buy our products. That speaks well for the initiative, enterprise and basic strength of this vast and rich young country. The following year, on that account, I believe we sold $650 million worth of our products, much of it agricultural products. The money seems to be running out. Last year we sold just $152 million worth on that account.

In our over-all trade situation conditions have also changed swiftly. We pray and dream of that long-term future when we shall have international good will, when we shall have peace and quiet underlying normal prosperity and progress. Hope springs eternal, of course. As individual freedom will always reign in this land, no other people have more reason to look forward to such an age. Every period of a hot or cold war or hot or cold peace brings new challenges to our initiative and enterprise. Indeed, if we are to be ready for prosperity without either a hot or a cold war boom we must study our national plans to meet that challenge.

The youngest among us cannot recall and the oldest of us are apt to forget when we had normal prosperity and normal progress. For almost half a century no such state of affairs has been our fortune. In less than half a century we have endured two gigantic wars. In that time we have been involved in two world conflicts as well as spending more energy, money, production and all it takes, to prevent a third world war, than was spent in the other two. Under those conditions we have not had business as usual, and as we look forward to that better day of normal peace and business as usual it becomes necessary, especially for the older who forget or for the younger who do not see, to glance back a little bit and find a precedent for policies that may be required to promote the prosperity and progress without which that longed-for peace and prosperity may be pretty cold. For that challenge we must be prepared, Mr. Speaker.

Since the birth of this young nation only two political parties have been so challenged. Others have promised but only the traditional Liberal party, which now governs this country, and we of the Conservative party, who sit to your left, have been called upon to perform. Many others have promised. We have shared, in our plans, policies and contributions, in the great development of this young country. Despite the fact there is a difference in our policies, there has been very little if any difference in our sincerity of purpose even if there is that clear and basic distinction between our background and outlook in our political faith.

As the horizon of normal times comes closer to us, we observe the need of a sound and straightforward approach to our fiscal and taxation problems. Our leader has consistently emphasized the soundness of our traditional fiscal policy to encourage the development of more of our resources within our own country. He has also urged for a dominion-provincial conference to study our whole taxation field. I am amazed that after all that we have heard about national unity, after all we have heard about that problem and the warnings that we could expect a conference sooner than formerly expected, and after all the pressure that has been put on from this side of the house, nothing seems to have been done. We heard nothing about that in the speech from the throne, and I hope the Prime Minister will tell us what he intends to do in that regard.

When I read the speech from the throne I looked in vain for signs of the old slogan of national unity. It has been used for over a quarter of a century in this country during every election campaign. I cannot help wondering where that dusty old slogan has been pigeonholed for the last few years. We do not hear so much about it now.

As we face the future we must pay close attention to the relationship between trade and employment. In the first eight months of this year our export trade alone fell by $235 million, and our unfavourable trade balance stands at over $200 million, while in 1952 the favourable trade balance was $325 million. This difference of over half a billion dollars is of challenging concern, for during the same period 300,000 heads of families lost their jobs in Canada. This situation is not due to any regional condition or seasonal weather. It has developed like Topsy—"it just growed".

All this time the government sit thinking of the good luck they have had for so long and believing they do not need to do anything about it. With our great resources we have enjoyed a period of prosperity in war and in defence boom years, but as we return to more normal trading conditions, Canada needs, if ever she did, a sound fiscal policy.

This government did not require any basic fiscal or trading policies during the years to which I have referred, and it is perhaps fortunate that they did not need such policies because they did not have any. Those who sit on that side of the house, Mr. Speaker, have been fair weather politicians since confederation, and if they ever had any kind of fiscal policy it lasted only for a very short time for they have changed it almost every ten years since confederation.

With the ever-increasing competition we face in world markets, a sound fiscal policy is required more than ever. Last year we imported more goods made by labouring men in foreign countries than Canada produced altogether in 1939. If even these glaring facts do not shock the complacency of a government such as we have today, then there is little wonder that the unemployed worry and look to the future with fear and uncertainty.

I would like to congratulate the Minister of Finance (Mr. Harris) as he assumes his new task. He faces tremendous responsibilities. I hope that as these economic problems await solution, and more appear, the minister will be able to give us more distinctive leadership in financial policy than he gave us during his tenure in the department of immigration.

We cannot afford to continue a policy of levying taxes such as are unknown to our foreign competitors. If we are going to keep our factories operating and our people employed it is important that we do not—

An hon. Member: We are now taxed out of employment.

Mr. Rowe: Exactly. I am glad the minister feels, as he recently stated, that taxes are too high. We have been trying to tell the government that for the past five years and I am glad that they are at last beginning to show interest. When people find themselves up against it and things are getting tough they sometimes look around to others for help. I am glad the minister is thinking along these lines. However, I am not sure what he is going to do about it because I observe that he plans to spend $184 million more this year while revenues have fallen by almost $100 million. We are alarmed by the fact that the government have stinted expenditure on defence by an estimated $150 million this year. The minister looks surprised. Perhaps he did not know. Perhaps it is not that much, or perhaps it is more. However, I am trying to be as conservative as I can in these figures. I think it is substantially more than that, but I do not want to exaggerate and I will give them the benefit of the doubt because there is a lot of doubt regarding this government all across the country.

I believe that you can levy taxes until you kill the source of taxation. No one should know that better than the present government, because they had that experience in regard to the tobacco tax two or three years ago. We have had a haphazard policy on fiscal matters and on taxation. I say haphazard advisedly because even today we see 2,500,000 pounds of cheese coming into this country while the farmers of Ontario have 9,000,000 pounds, and they are subsidizing themselves to try to get rid of it. Our taxation and fiscal policies are obviously haphazard when the government imposes a 15 per cent excise tax on tires for trucks to carry these products which are selling at 20 to 40 per cent less than two years ago, while golf balls and jewel cases go tax-free. Perhaps if that policy is continued no one will be able to buy jewel cases except cabinet ministers. These things may not mean much to them but they mean a lot to the farmer who wonders how he is going to meet his obligations, and the worker who wonders why he is losing his job.

The Canadian worker sees electrical, steel and textile products coming in from countries such as Japan while the plants in which his father and grandfather worked are closing

down. Then he comes home and asks "Why did I vote Liberal?" We are bringing into this country products made by men who receive less per month than our men demand and should have per week. We boast about our standard of living—

An hon. Member: That is the trouble.

Mr. Rowe: You do not say that on the hustings and only whisper it in parliament. Why are our men unemployed? It is not seasonal; it is not the hot summer sun, or the wet spring rain, or heavy snowdrifts. It is the illogical tariff and fiscal policies introduced by this government, and the haphazard gunshot prescription offered by this government. It is not good enough to whisper in parliament that our workers are getting too much in wages. It is not good enough to tell industrial workers to go out and get another job. It is not good enough to tell company executives to smarten up and modernize their methods, buy new machinery, and get up to date.

The textile industry has spent $400 million during the last five or ten years in modernizing their plants.

Industry generally in Canada has put $2 billion into the modernization and improvement of their plants in order to meet the very competition to which I have referred, so that they can give these men pensions, health insurance, health benefits, hospitalization and other cares and more wages than any other labour men in the world get except those in the United States of America. The men too wonder how that can be maintained. If we have a small market in Canada with only 15 million people, they wonder if we can maintain this standard of living and employ the new people that should be coming into Canada now; but they are not coming in because we have a negative immigration policy that bounces around like a cork just whatever way the fiscal uncertainty goes; and there is so much uncertainty that there is no need of an immigration policy when you have no fiscal policy.

No, Mr. Speaker, you cannot do that; you cannot employ these people if you are going to import into Canada from the mass production in the United States more refrigerators than are made in Canada altogether. You cannot cut a little market in two and keep in competition with this mass production in the United States. You cannot keep your textile plants running and humming unless you face the issue. We have dodged it, Mr. Speaker. I say again that you do not need any fiscal or trade policy when you have the money rolling in as it has been rolling in when you have a hot or cold war and are preparing to prevent another war. Again I say that the youngest in this house have never experienced a trade policy and the oldest in the house may forget when there was one. Some of the older gentlemen were not here then. Many of you have come here when you did not need a trade policy at all. Again I say if you had needed one, you would have to search a long way through the Liberal campaign books to know which one to pick. The fact that you have not used one for a long time is the reason that you are satisfied to continue without one.

Mr. Speaker, as one who has had some experience in industry may I say that I am confident that we have excellent plants and excellent machinery. We have some of the best business and industrial executives in the world. As one who knows a little bit about business let me say this. Having had some responsibility in business for some 15 years or more, I am sure that there is one plant that needs overhauling, new machinery and new executives, namely the present cabinet here in Ottawa. We need a new fiscal machine and we need a new tax calculator. Even though the one we have is new, he belongs to the same old pattern. The farmers of Canada will then have more confidence. They will not have, as the hon. member for Huron (Mr. Cardiff) has mentioned, 2,500,000 pounds of cheese dumped on their market overnight. The industrial worker will then have some confidence that his job may be there for more than a few months. He will not expect that the job that he and two or three generations of his family have enjoyed will be closed to him because of the cheap products that come in from foreign countries.

During recent years, Mr. Speaker, we in the opposition have been hoping against hope with regard to what might come forth from the famous GATT. We were hoping that these conferences might bring forth some changes that might stimulate our industrial and national growth. Here in this country there are no signs of it yet. The members of the government are the greatest travelling salesmen that we have had in this country since confederation.

Mr. Fulton: The greatest travellers.

Mr. Rowe: Someone says "travellers". I do not think that is quite fair. They have not had a sales policy but they want to be salesmen. I believe they are sincere in their efforts to try to sell but they have no direction and no policy. They are not just sure how they can proceed, but they have tried. They have travelled great distances. I have often wondered about their safety as they flew through the air across the country. In

the long trips they have taken I have hoped nothing might happen to them. Especially do I hope that nothing will happen to the Prime Minister in his trip overseas, because if they lose him they have lost all. They expect to spend about $5 million more in travelling this year. In fact, they are going to spend about $60 million going here and there all over the world. You never know where a cabinet minister is going to turn up.

Mr. Harris: Surely the hon. member does not mean that we are going to spend $60 million on travelling.

Mr. Rowe: On travelling and replacement of the representatives you now have, changing from one place to another, buying new residences for them, new furniture, carpets and so forth. You are going to spend about $60 million on that type of salesmanship.

One of the troubles was that they entered the GATT conferences without any policy. They were poorly prepared. The only thing they had to say to the 31 leading trading nations of the world was that we are the freest traders in the world, that we have the lowest tariff. They boasted about that. From these final big league trade series, these famous commercial globe trotters returned with nothing but a diploma which represented the world's grand championship in free trade. While they did that and while they were achieving that, everybody else went to the conference with higher tariffs. Just imagine anybody who has played poker—and nobody on this side has had time to do so—entering the game with the cards stacked against him like that. We must be the most hopeful party that has ever been in the opposition when we ever had any hope that you would bring back from GATT much more than you have brought back. You are going back again.

While you were achieving this rather strange distinction, thousands and thousands of our people—almost half a million—have lost their jobs in Canada. Mr. Speaker, if I had the responsibility again of running a company, I would not hire any of these salesmen.

The present fiscal uncertainty and instability in this country is only in keeping with the historical record of the party that is now in power. I may be pardoned for looking back a little bit because, as I have mentioned, it is only by looking back beyond the days when we have had hot and cold wars and were preparing for others that we can find the period where we had to apply hard, cold logic to the development of this country. I have no apologies to make when I say that the party I represent today had as much to do with the greatest era of development that we have had in this country and with the sound basis for development as had the party to your right, Mr. Speaker, despite their sincerity of purpose.

The Liberal party has had some great men in the past. In fact there were many who were greater than some of you are now. In 1891 your party fought more or less a rear-guard action for commercial union with the United States of America. But later, in 1907, that great statesman, Sir Wilfrid Laurier—and he must have been great because almost every Conservative I knew had great respect for him—had something to say. I remember reading something he said in 1907. He had far more interest evidently, as the record shows, in 1898 and other times in the United Kingdom market than this government has shown. He said in 1907, "There will be no more pilgrimages to Washington". He said that we would now look east and west and would develop in the United Kingdom the greatest market for our agricultural products that we have in the world. Therefore it is apparent that, although most policies of trading with the United Kingdom have come from this side of the house, not all were initiated by our party.

Yes, Mr. Speaker, recently we have observed another pilgrimage in great haste to Washington of these three wise men from the cabinet who returned last week empty-handed. They brought home nothing except the uncertainty they took away with them.

Mr. Cardiff: They had a good trip.

Mr. Rowe: That would not be much of a trip for these gentlemen. They have been spoiled. It might have been interesting for farmers like you and me. In 1911 that same party stood for reciprocity with the United States of America. They were going to go all the way, up or down, every way the United States went. There must have been a change even in the mind of Sir Wilfrid Laurier. I think he would have been more stable if there had not been so many uncertain fellows around him.

I remember the history of 1921 and 1925, what was said about this great market in the United States, how the Fordney-McCumber tariff and the Hawley-Smoot tariff closed our markets overnight, and how these Liberals, who had looked so happy, looked sadder than they have in twenty years. They had boasted about how trade would be built up and their boasts were shattered like a deck of cards, and we had more unsold cattle than at any previous time before 1930.

Then we come to 1930. They changed their policy again. Some hon. members will

remember that they proposed a countervailing fiscal policy. Certainly the farmers and even the smartest executives would not know what was going to take place under it unless they went to Washington. If a certain duty went up in Washington it went up here. If it went down in Washington it went down in Ottawa—a countervailing policy that would countervail and just do that. So they transferred their fiscal policy making to Washington at that time.

Today, Mr. Speaker, one need not wonder. Those of the younger group to whom I have referred know that the government has not needed a sound fiscal policy in their lifetime. The government has been riding the gravy train of world prosperity brought on by the necessities of the wartime boom. It is not surprising that they have not needed to practise sound fiscal policy. They had none in any event. You can understand why we have no definite fiscal policy at Ottawa today and why we are shuttling back and forth accepting a fiscal policy drafted in Geneva and at the same time risking it being amended in Washington.

Today we find that two-thirds of all our trade is with the United States of America and only one-third with the rest of the world. Stop and think of it, Mr. Speaker. No other important trading nation in the world has ever allowed itself to get into that kind of position. Never has any important trading nation been so dependent on another nation as we are on the United States of America. Why, Mr. Speaker, it should even alarm this government, smug and complacent as it is. How can we dare risk that situation? It is just the reverse of what it was 20 years ago. Then we sold about one-third to the United States of America and two-thirds to the rest of the world.

I remember that there was another change in policy. The hon. member for Vancouver-Quadra (Mr. Green) will remember this too. We had the situation brought about by the Fordney-McCumber tariff. We were not sure what we should do but we knew we must not provoke the United States of America. Surely it is no provocation to tell them that we are minding our own business. Surely it is no provocation to tell them that unless our dairy products are admitted to their country we will not bring in substitutes for the dairy industry from there.

Surely we could risk having a bold, common-sense and logical approach to the situation when we are now buying from the United States every day the sun rises almost $2 million more than we are selling to them. We had an unfavourable trade balance last year of at least $500 million and it will be the same this year. Yet as far as the United Kingdom market is concerned, even though the government has lost that market for many of our important products, we are still selling the United Kingdom market $200 million more than we are buying from them. Surely it is worth considering.

We of the official opposition believe that we should have some reduction in taxation. We believe we should have more taxpayers and a lower rate of taxation. We believe that is possible. We have every hope for the prosperity of this dominion in the long-term pull. No one can think of the greatness of this young country without visualizing employment not only for those who are idle today but for hundreds, thousands and millions more who should come to this country.

Why, the late Sir Wilfrid Laurier, your own great esteemed leader, anticipated that by 1930 we would have far more people than we have today, and he expected that by 1950 we would have 50 million. The late Sir John A. Macdonald anticipated the same thing but neither of them expected that there would be a government that would so disguise the country's real problems. They did not expect that there would be a speech from the throne which would hide the real problems of the country. I know that there are difficult problems. The improvement in unemployment insurance benefits will help a little bit. The causeway down east will also help a little bit. A few fellows will have to put up a few monuments and grade a few historical sites in Canada, and I hope you pay them well.

Even the deepening of the St. Lawrence waterway will provide some employment, but with the vast machines of today it is not a big factor. You can dip into the treasury and have deficits where you used to have surpluses. You used to have cyclical budgeting but they will now be circle budgets because you are going to have deficits instead of surpluses. You can dig into the treasury and spend some money for temporary relief. It is just like giving a baby cough medicine and leaving the window up. Why, Mr. Speaker, you have not even touched the edge of the problem. You are only giving panaceas. You are only giving a little medicine for the disease your lack of policy has created. These are some of the problems that the Leader of the Opposition (Mr. Drew), whose absence I regret, and in fact I expect right at this moment the whole house regrets —I know my own party does—

Some hon. Members: Hear, hear.

Mr. Rowe: My hon. friends laugh, but that is true. I say that because we happen to be so fortunate in having as our parliamentary leader one of the most outstanding and

colourful parliamentarians that this country has known. I regret his absence greatly because he could go into these problems much more deeply than I can. When he is fit he has unbounded energy, and his untiring industry has fitted him for the task. He has a background of experience in government, both municipal and provincial, and now in the opposition as well. In fact, one can learn about as much sitting over here and watching the government weaknesses as by performing the functions of government. We miss his experience, ability and energy today. I thank the Prime Minister again for his kind words in this regard, and I know we all hope he will soon return.

These are some of the reasons why, Mr. Speaker, and he would have named many more, last fall he thought we should have had a session of parliament. When he called upon the government to consider convening a session of parliament, I am sure he did not expect that unemployment would be called regional and only seasonal, or that there would be no constructive policy towards the solution of the problem. He did not expect that now, after he had urged the calling of a dominion-provincial conference for so long in order to find a better and more clearly defined division of taxation between federal, provincial and municipal governments, and after hearing the Prime Minister say, even though he did not think there was any need for one during the recess but we might have one sooner than we expect, today the Prime Minister would say he will tell us whether or not he has changed his mind again.

However, I do wish to say that, despite these signs of declining export markets, despite our increasing unemployment, which I hope can be recovered, our decreasing national revenue and our increasing expenditures, I have absolute confidence that with a sound fiscal and taxation policy and the development of our resources in our own country, we shall continue to go forward. By that I do not mean, Mr. Speaker, that all the resources we have must be developed here. We have iron ore that the United States will need in far more volume than she does now, and probably for the next quarter of a century. We have an abundance of raw products to sell.

We would be glad to sell our wheat, whether it is in the form of flour or pancakes. We want to sell it. There are no raw products, of which we have more than we need right now, that we in this party would not be prepared to sell. This should not be misrepresented by those who go out on the highways and byways as meaning that we are a party that believes every pound of our raw resources should be developed in Canada; that has never been our policy, Mr. Speaker. We believe in the development of our resources in this country to give employment to our own people. It is a matter of equalizing conditions, and there are many ways by which that can be brought about.

Our whole taxation structure needs reorganization. The government talks about lowering the costs of industry, and we might do that by lowering the cost of government. You can talk about being competitive, getting out and finding business, but you can help the manufacturer to be more competitive by reducing some of these taxes. You can help the labourer to hold his job, if you look carefully at what is happening. I do believe, Mr. Speaker, that this government and the hon. members who sit to your right who are responsible for the management of our affairs today, in their private thinking and after careful consideration, will look deeper into these matters than the speech from the throne would indicate they have done.

Again I say that we have the potentialities here; we have the resources to create great opportunities for thousands of young Canadians as yet unborn as well as the millions of people who may come here from other lands. We need a fiscal policy that is sound and a taxation policy that will be fair to our different classes. We have to give consideration to the equalization of conditions between us and some of these foreign countries that are producing these cheap products. We should equalize conditions so that the lot of the Canadian farmer will be better. When our population increases as it should increase, then our home market will be worth something to the farmer and to the manufacturer. The mass production to the south should not be allowed to interfere with the market to the degree it has in some cases.

I have no brief for any particular class. Basically, I am a farmer; I believe that the farmers' interests are best served by a sound fiscal policy that will give us a healthy industry and develop our home markets for the farmer. An industrial development will give us thousands more of homes to buy our products. Then, as the units get cheaper we may be able to compete in the markets of the world.

I move, Mr. Speaker, seconded by the hon. member for Prince Albert (Mr. Diefenbaker), that the following be added to the address:

We regret that Your Excellency's advisers have failed to take or to recommend the necessary measures:

(a) to retain and expand Canada's markets abroad for our production, particularly of wheat and other products;

(b) to solve the urgent problem of unemployment;

(c) to relieve Canadian taxpayers from the burden of excessive taxation and thereby enable Canadian producers to lower their cost of production and to meet increasing competition;

(d) to eliminate waste and extravagance in government and improve its efficiency;

(e) to facilitate and encourage the processing of our natural resources in Canada, and thereby increase opportunities and employment for Canadians;

(f) in co-operation with the provinces to develop an effective contributory plan which will assure that every Canadian will have adequate hospital and medical services.

Mr. Speaker: At this time I should like to say that I am somewhat impressed by the length of the amendment. I say this in all seriousness. Hon. members will recall that last year, I think when there was an amendment before the house for the Speaker to leave the chair and the house to go into committee of ways and means, the hon. member for Greenwood (Mr. Macdonnell) had moved an amendment which was also very lengthy. One could argue that there are some paragraphs in the amendment for which one might want to vote, and there are others against which one might want to vote. This becomes what we call a complicated amendment.

Hon. members may wish to have the subjects segregated in order to have a clear-cut expression of the will of the house.

It will be recalled that in the past the vote of thanks on the address was a reply to each paragraph in the speech from the throne. We did away with that a long time ago, and the motion in reply is now only a vote of thanks and the regrets added are usually rather brief.

I say this at the present time to give hon. members an opportunity to consider what I have said. For my part, I shall study the amendment; but I think it might be well for the mover to consider shortening his amendment, for the reasons I have mentioned.

Then there is another reason which I think the hon. member will want to know about, and it is this: If throughout this session on occasions with a view to the airing of grievances he wishes to move amendments to the motion for Mr. Speaker to leave the chair to go into committee of supply, he will be blocked by many of the paragraphs contained in this long amendment. Because the house will have given its judgment; and therefore he will not be able to bring forward many of the important subjects he might wish to discuss later at great length.

Now, having said this, I shall consider the amendment, and I would like my colleagues to do likewise.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, before dealing with the amendment just placed before the house and before dealing with the subject matter of the speech to which we have just listened with keen interest and attention I should like, as did the Acting Leader of the Opposition (Mr. Rowe), to extend my congratulations to the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in response to the speech from the throne. I think no one will question or will differ from the Acting Leader of the Opposition's appreciation of the interesting speeches made by those two new members, nor in his forecast that it enables us to expect much from them of interest to the house and of value to our parliamentary institutions in their participation in the activities of parliament.

They are both relatively young men, but men who already have had distinguished careers in their respective constituencies, and who have been chosen by their constituents to follow the distinguished representatives of those constituencies who sat in the house before them.

The hon. member for Verdun (Mr. Leduc) is a jurist of some 20 years or more experience, one who has acted in that capacity as adviser of school boards and of the municipal councils of the city of Verdun, and who has acquired experience, both legal and administrative, in that capacity. I am sure his contributions to our debates will be of value. He is also a professor of social sciences at the University of Montreal, and no doubt his theoretical studies were reflected in the speech he made when moving this address.

The hon. member for Trinity (Mr. Carrick) has many qualifications which command our admiration; and the ease and facility with which he acquitted himself in his task also promise much for his future in this House of Commons. He, too, followed in the footsteps of a distinguished predecessor, and has, himself, one of the qualifications which endeared his predecessor to the whole Canadian public. I refer to his prowess in athletics, and his devotion to the development of that side of human activity which has its value in developing the qualities of a nation.

He, too, is a distinguished lawyer with many years' experience, one who has represented this government in important litigation, one who in the course of his distinguished service during the last war headed the legal department of our Canadian forces in Italy. And I am sure that the

quality and variety of his experience will also be of value in future debates of this parliament.

To both of them all of us extend not only congratulations but best wishes for the many years during which they may contribute to the administration of the public affairs of this country.

I wish also to thank the Acting Leader of the Opposition for the, well, sometimes qualified compliments addressed to my colleagues and myself. But I do appreciate that his recognition of our devotion to public duty exceeds perhaps his appreciation of our wisdom. Nevertheless that is something which is quite compatible with the full recognition that on both sides of the house we do extend to the honest endeavours of us all to perform for this young and growing country the best services within our respective capacities.

I must say now that I listened very carefully and followed very closely the remarks of the Acting Leader of the Opposition. The picture of the situation of this country that he painted reminded me of similar pictures I have heard painted from year to year by others who have spoken from that side of the house. Whether or not there was a lack of sound fiscal policy—and I shall have to take my understanding of the hon. member's conception of "sound fiscal policy"—fortunately, events turned out fairly satisfactorily.

I think perhaps it is well sometimes to take the objective view of the Canadian scene that is taken by people outside this country. I have here a clipping from the London *Times* of September 11, 1954, in which, under the title "Young and Lusty", it says:

> The pace of Canadian development during the past decade has been tremendous.

And the following paragraph begins with the words:

> Certainly Canada will be a fortunate country if the past decade does not stand out to some extent in retrospect as a notable period of growth.

And then, after discussing how that may have come about the writer goes on to say:

> No government came anywhere near perfection in running its wartime controls, in curbing inflation, or in managing the return to freedom. But the Canadian government was far more successful than most. Inflation was always less a domestic product than an import from the United States; hence the upward revaluation of the Canadian dollar in 1946 and the adoption of a free exchange rate—with an upward revaluation in the market—in 1950. The return to freedom was steady, with relatively little temporary backsliding.
>
> The firm and even hand was no doubt itself a symptom of a strong government—strong alike in its political position and its personnel. The government could always act and speak with assurance, and there was always an able and experienced departmental minister to ensure that in any specific matter it spoke and acted wisely.

[Mr. St. Laurent.]

I do not want to take too much comfort from that because it is I think in the proper functioning of democratic institutions more important to have the opinion and view of the people of one's own country than those of people of other countries. But I have yet to find that the views expressed by the hon. gentleman who has just spoken represent those of the majority of the people of our own country.

I listened quite carefully to his speech, and though I found frequent recurrence of the words "strong fiscal policy" yet the manner in which it was described and the inconvenience it was supposed to be able to overcome reminded one very much of the pleas that that party used to make for protection, although the word "protection" was carefully avoided.

Here we all feel that expanding trade is desirable. We feel that it is almost necessary to the prosperity of the Canadian people, but we do not feel that it would be by high tariffs that expanding trade could be achieved in this country. It is perhaps unfortunate that the production costs of some of our commodities happen to be greater than those of other commodities from abroad that could be imported into this country. But it is nevertheless quite true that foreign trade must flow in both directions, and that you cannot have high exports unless you have at the same time high imports or extend credit or aid in the form of Canadian currency to enable our domestic producers to receive payment for their exports.

The hon. gentleman has said that Canada has lost the United Kingdom market for the second time in his own period of political experience. There has been no loss of the United Kingdom market. There is no less desire in the United Kingdom to take goods from Canada than there was at any time, but it has so happened that, although the situation of the United Kingdom is improving and has been improving constantly and steadily, there is still a shortage of dollars that limits the quantities of Canadian goods they can import and for which they could provide the currency required.

The hon. gentleman says that our imports from the United Kingdom are insufficient and that the balance of our trade with the United Kingdom is still in our favour. Unless I do not understand what the hon. gentleman means, I take it that we are exporting to them commodities of a greater value than we are importing from them. Well, there are precisely some of the imports that are coming from them that are being sold on this market at prices that, for instance, our own textile producers find it impossible for them to meet.

The hon. gentleman says that so far there have been parties in Canada, other than the

ones to which I belong on one side and he belongs on the other side, who have made many promises but have not yet had any test with respect to performance. That is quite true. But it is quite true as well that the parties to which he and I both belong are not socialistic parties. They are parties who believe in free enterprise, and who believe in the greatest degree of freedom for the individual that can be exercised without damage to the welfare of the whole community. Our government, and I am sure the same would be true of any government made up from the hon. gentleman's party, does not attempt to dictate to the Canadian people the sources from which they will take their supplies and does not attempt to dictate to them where they will, if they can, sell those products that they have for export.

We do our best to facilitate external trade, but we do not attempt to handle external trade through any government organization, with the exception of the wheat board, set up at the request of the wheat producers themselves and managed for their benefit and to a large degree under their direction.

The world situation is one over which no strong fiscal policy, as I understood the hon. gentleman to envisage the one he had in mind, to prevent the entering of goods from areas in which they are produced at less cost than they can be produced here, would have very much beneficial effect.

The hon. gentleman says that our party has never been put to the trial and has not had to deal with hard times. Well, that is because when we have been in office there have not been the kind of hard times that occurred, perhaps only coincidentally, with the implementation of the kind of policies about which the hon. gentleman was entertaining us this afternoon.

There is some unemployment in Canada. There has been some unemployment in Canada every year. At the opening of every session of the Canadian parliament for the last three or four years there has been considerable anxiety over the kind and extent of unemployment in Canada. However, because of the resources, material and human, to which the hon. gentleman paid tribute, that situation has eased as the season advanced, and there is reason to expect that it will do so again.

When one looks at the Canadian situation and that of our neighbours to the south, Canadians have no reason to feel that we are not as well off as they are there, or that the improved trend that has become manifest there is not also being manifested in the Canadian economy.

That does not mean that for those who are unemployed—and there are large numbers—unemployment is not a deplorable thing, and that we should not do everything within our power to lessen its effects. But, as the hon. gentleman has said, there is not very much that can be accomplished through the expenditure of public funds on public undertakings. What is required is something that stimulates the economy generally and does not to any unnecessary degree interfere with the display by our Canadian citizens of their own initiative and skills.

In that connection perhaps the hon. gentleman saw the report of an appraisal of the Canadian situation made by the president of the Canadian Bank of Commerce at the eightieth annual meeting of the shareholders of the bank. The president faced the situation objectively, and his conclusion was that if it were possible to draw up a balance sheet of the Canadian condition it would show a substantial surplus on the favourable side.

That does not mean that there will not be some unfavourable factors; it does not mean that those unfavourable factors are of no consequence. But it does mean, in terms of accountancy, that the balance sheet would show on the whole a substantial surplus on the favourable side. Our economy is subject to world conditions. All we can hope for is to have a substantial surplus on the favourable side, while we do our best to improve that surplus and remove to the extent to which that is possible the unfavourable factors which enter into the establishment of the balance.

There will be opportunities for the hon. gentleman and his colleagues to enlighten us further as to the strong fiscal and tax policies that in their opinion would remove the unfavourable factors which now enter into the accounting, and which nevertheless leave a substantially favourable balance.

The amendment submitted expresses regret that His Excellency's advisers have failed to retain and expand Canadian markets abroad for our production, particularly of wheat and other products. With respect to wheat and the products thereof the proportion of sales made by Canada is greater than of those made by any other country except Argentina and Australia. We have sold a better proportion of our crop than that disposed of by our neighbours to the south, and the figures show an actual improvement over what was possible in the corresponding months of the previous year.

Now, what more we can do to expand our markets abroad for our production is something which we would be glad to have pointed out to us by the hon. gentleman or any of his friends.

It is, I think, more important to the health of the Canadian economy to have things done than it is to discuss in this house who has been the promoter of what happens to have turned out to be the right thing. The genuine welfare of the country is or should be of more concern to all of us than the party political advantage of attributing blame or praise to any of us.

However, I can assure the hon. gentleman that though it is perhaps somewhat of an exaggeration to suggest that anything of which we are supposed to be boasting as an achievement is due to the pressure put upon us by suggestions from the other side of the house, nevertheless we will be only too happy to give serious consideration to any constructive suggestion whatever its source. I might add, though, that we in this party will not be disposed to feel, without stronger arguments than we have yet heard, that a high protection policy would help us expand our markets or cure the unemployment which exists in respect of some of our industries.

The hon. gentleman expresses pleasure at the fact that I will be attending a meeting of the commonwealth prime ministers in London, and he suggested I was personally taking hold of the problem of increasing our trade with the United Kingdom. Quite frankly, Mr. Speaker, I do not expect that Sir Winston Churchill and I, in any of the conversations we will have, can hope to do very much to further the progress of the United Kingdom toward convertibility of its currency, which will be required for any substantial expansion of its trade with Canada. Those are not things which can be achieved by agreement between any two individuals. They are things that must be the result of the operation of economic factors that depend upon a multiplicity of different shaping trends. From having attended some conferences and from having watched what took place following them, I am confident that they are useful and that they serve to assist in the growth of healthier trade relations. But that is something that cannot be looked for as an overnight result of the conferences themselves.

Then it is regretted that His Excellency's advisers have failed to take the necessary measures to relieve Canadian taxpayers of the burden of excessive taxation and thereby enable Canadian producers to lower their cost of production and meet increasing competition. May I say that the scale and rates of taxation have had to be high in order to enable this government to meet its obligations to its own people and, as a consequence of its obligations to its own people, to perform its share in what is being done by itself and its allies for the safety of the free nations themselves. I feel that I am getting on to dangerous ground and that I should not attempt to forecast what may at some time be a proper taxation policy in order to meet a situation that might be different. But up to the present time I am convinced that the Canadian public have felt that it was the right thing to pay as you go. That policy is one which has helped to keep Canada in the stable situation in which it has been for the last several years.

The next paragraph expresses regret that His Excellency's advisers have failed to eliminate waste and extravagance in government and improve its efficiency. That is a fairly general condemnation of the manner in which we have been administering the affairs of the country. In that respect I am sure that the hon. gentleman, though he perhaps does not think much of our wisdom, will give us credit for doing our best.

With respect to the paragraph referring to the encouragement of the processing of our natural resources in Canada, thereby increasing opportunities and employment for Canadians, may I say that I am sure that in principle we are all agreed as to how far that can and should be done. I noted with appreciation the applause all over the house when the Minister of Trade and Commerce (Mr. Howe) explained the bills which received first reading earlier this afternoon.

I must confess that the last paragraph of the amendment, which speaks of the failure of His Excellency's advisers in co-operation with the provinces to develop an effective contributory plan which will assure that every Canadian will have adequate hospital and medical services, is something new in the formal amendments submitted from that side of the house. It certainly is something that is highly desirable. It is something that we would all like to see done. However, our progress in the development of welfare services in Canada has been fairly rapid over the last few years. Any further implementation would require the spending, through government agencies, of a larger portion of the incomes of individuals. That is something which will come, but the timing of it will depend upon the circumstances of the Canadian economy generally.

We shall have many debates in which we shall hear repetitions of the matters touched upon by the Acting Leader of the Opposition (Mr. Rowe). We shall hear discussion from various angles as to just how dark are the unemployment clouds, but I think we shall have to look at them in an unemotional fashion and appraise them as to their real significance. It will require that everything possible be done to relieve the situation and

that something be done at once for the immediate relief of those who are suffering from unemployment. In the speech from the throne hon. gentlemen will have noticed the announcement that the Minister of Labour (Mr. Gregg) will have two bills to submit at the earliest possible moment, the first to provide immediately an extension of supplementary benefits under the Unemployment Insurance Act. I understand that this matter has been discussed with members of all groups in the house and that immediate action will be possible to deal with that special measure.

Hon. gentlemen will have noticed that there is ready for consideration by parliament a much larger volume of business proposed by the government than has been ready at this stage in any previous session. On the order paper at the present time there are notices of resolutions for fifteen government measures which require to be preceded by resolution and there were two which, not requiring resolutions, received first reading today. There is a third which is already on the order paper. Five government measures have been sent to the clerk of the other place for introduction there. One was introduced on the opening day and the four others are to be introduced immediately for consideration. That is a very large volume of business ready for consideration.

Traditionally the debate on the address has occupied many days at the opening of a session. There have been suggestions that that was because there was no business in which members were really interested ready for their consideration, and that instead of leaving them in a position where they felt that their views had to be expressed on the address or else there would be no opportunity for expressing them, it would be helpful if they could have in advance an indication of what was coming up for discussion so they might then reserve their speeches for the debates on those different measures.

We are endeavouring to meet the suggestions that have been made from time to time to overcome this feeling that the business of parliament is not properly organized and not handled in a businesslike way. During the opening days of the last session the Leader of the Opposition (Mr. Drew), in supporting a motion for the immediate establishment of a committee, said, as appears at page 397 of *Hansard* of November 27, 1953:

> . . . the expeditious handling of business will not be related nearly so much to any limitation of time on speeches or anything of that kind as it will to some orderly method of presenting business and setting up committees at the earliest possible stage . . .

We are presenting the business at the earliest possible stage and we will be glad of the opportunity to set up some committees at the earliest possible stage. We propose to suggest, as an experiment for this session, that there be set up an estimates committee to which the estimates of several departments could be referred for detailed consideration before coming before the committee of supply of the house.

Mr. Diefenbaker: Is the Prime Minister in a position to say which departments?

Mr. St. Laurent: There will be five or six which will be referred consecutively to this committee so we can have a serious experiment made as to the effect it will have upon securing better consideration of the estimates than is sometimes possible toward the end of the session, in the case of those that have not been studied before.

Mr. Diefenbaker: Which departments did the Prime Minister have in mind?

Mr. St. Laurent: At this time I would not like to make any definite statement, but we will try to make the kind of experiment that will give satisfaction to the members of the house generally and will enable them to determine from their own experience whether or not it would be desirable to expand the system and try to arrive at something like that which now prevails in the United Kingdom.

We would like to have the committee on the rules set up at as early a date as possible. Without doing what the Leader of the Opposition had in mind in his statement of last November, without doing much in the way of limiting the time of speeches or anything of that kind, we feel there are many improvements that can be made that would avoid some of the time required under the present rules to deal with the matters on the order paper. For instance, these resolutions preparatory to the introduction of bills, under the rules, have to be called on a government day. When they are first called nothing more can be done than declare to the house that they are recommended by His Excellency the Governor General, and they have to go over to another day.

There are certain of these phases which, if not eliminated, can certainly be streamlined so the business can be proceeded with in a more expeditious fashion and so there may not be this feeling that during the first weeks of a session there is lots of time and much of it can be taken for speeches in the house that might otherwise be directed towards the furthering of these stages of items of legislation.

Many years ago I received from Lord Dunedin, out of the wealth of his experience, a bit of advice. It was that when one attempted to make a speech he should sit down immediately after having said everything he had to say. I think I have said everything I had to say, and I will now make room for other members of the house who, in accordance with these old traditions of our practice, are expected to follow at this time.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, first of all I should like to thank the Prime Minister (Mr. St. Laurent) for his gracious invitation to speak. I am going to accept that invitation. It is customary for speakers in this debate to congratulate the mover and seconder of the address in reply to the speech from the throne. I am afraid that sometimes it is a rather perfunctory sort of business, but on Friday I listened to the mover (Mr. Leduc) and the seconder (Mr. Carrick) and I was impressed with what they did. I join with the Acting Leader of the Opposition (Mr. Rowe) and the Prime Minister in expressing to them the hope that they will have the health and the strength and the will to take part in the debates of the house as long as they are here. I am not going to say, as has been said, that I wish them to remain here forever because of course it is the duty of the opposition to try to displace even those who move and second addresses in reply to the speech from the throne.

I also want to take this opportunity to say that we were in full agreement with what the Prime Minister said on Friday regarding the absence of the Leader of the Opposition (Mr. Drew). I sincerely hope that he will be restored to full strength and will be able to resume his seat in the house in the not far distant future.

This afternoon I listened attentively, of course, to the speech of the Acting Leader of the Opposition. He has a unique way of handling the subjects with which he deals, and he always provides us with a pleasant hour when he rises to speak on any topic in this house. This afternoon he did not fail us in our anticipation. I found it very difficult, however, to follow some of the points he made. Indeed, at one time I thought the speech was reminiscent of speeches made by some of the Liberals between 1930 and 1935. At one stage I thought when I rose I might suggest that this time the opposition speakers in the Conservative party might read some of Mr. King's speeches to the house in criticism of the Conservative party, and that the hon. gentlemen on the opposite side might dig up Mr. Bennett's speeches and read them in defence of the present government. After all, that was the way it sounded to me. It was reminiscent of those days before 1935.

I, too, want to say something about the amendment, Mr. Speaker. I agree with you. What has happened in the amendment that has been moved by the official opposition is this. Because of the number of topics covered it has, in effect, blocked the way of the entire opposition from moving, from time to time in this house, amendments on going into supply that might embarrass the government and lead to votes on various matters.

Someone says to read it. Just take a look at it. It refers to the failure to solve the urgent problem of unemployment. Suppose we want to move a resolution on unemployment. I would argue that this does not block the way, but on the other hand I think it is quite conceivable it might be argued that it does. There is mention of action to relieve the Canadian taxpayers of their burden and concerning the elimination of waste and extravagance. That is so wide that we might be prevented from censuring the present government, because all of us on this side of the house are convinced that there is waste and extravagance on the part of the government in the administration of its affairs. I think that is normal in opposition at all times.

Mr. Harris: Even if untrue.

Mr. Coldwell: There is mention of facilitating and encouraging the processing of products. Paragraph (f) of the amendment reads:

> in co-operation with the provinces to develop an effective contributory plan which will assure that every Canadian will have adequate hospital and medical services.

How happy I am to see that included in an amendment moved by the official opposition. I only hope that the government of one of the larger provinces of this country, which is of the same stripe as the opposition, will immediately take steps to implement such a program. I am convinced that since British Columbia, Saskatchewan and Alberta have hospital plans at the present time, if one of the two central provinces of Canada, plus perhaps one of the maritime provinces, showed some interest in this proposal we should have a national health insurance plan rather quickly. Consequently I say to my hon. friends that if they really want to see this done, as urgently as we want to see it done, then with their influence in Ontario and in New Brunswick they could materially assist in getting such legislation on the statute books, even by a Liberal government which promised such a measure in 1919, 36 years ago. In any event I hope that in the lifetime of this parliament we shall see such a measure placed on our statute books.

The Prime Minister (Mr. St. Laurent) took a great deal of comfort from the article in the London *Times*. I want to say to the government that the progress of Canada has been unquestioned ever since the war broke out. Prior to the war the same government was in power. No one can say that in those years from 1935 to 1938, at least until we began rearmament, there were any signs of progress in this country. Indeed, we continued in the slough of despondency in which we were when the Liberal party took power in 1935. It was preparation for war and our very favourable geographical position that enabled such an article to be written about the government. I am not detracting at all from the tremendous progress that has been made in this country over the last ten or more years. I only hope that progress will be continued.

A few moments ago the Prime Minister gave a rather strange definition of free enterprise. As I understood him, he said free enterprise enabled everyone to follow his own devices provided he did not do anything that interfered with the rights of others. That is not free enterprise. Our statute books are cluttered with legislation preventing individuals from following their own devices. We have had to limit individuals. As for the inference that democratic socialists are in favour of restricting individual liberty, look at the record. The legislation that has been placed on the statute books of all the democratic countries guaranteeing the social rights of individuals and social justice for individuals was placed there, not always by socialist governments of course, but at the insistence of men and women who followed socialist philosophy.

In this house between 1921 and 1942, until he was removed by death from his seat in this house, who was it who brought the wrongs of the Canadian people to the floor of this parliament, and fought for the rights of the individual and for social justice? It was a predecessor of mine as leader of this group in the house, the late J. S. Woodsworth. I want to say that I hope we shall continue to struggle in that same tradition and after the same pattern we followed at that time.

I want to join in the criticism of the government for not having called parliament together earlier. The Prime Minister has said that now a great deal of legislation is ready, and that debate may be limited because we know what we are going to do in this session of parliament. I do not think that is any answer. If we had met in November, legislation might have been ready and we might have been informed as to what that legislation would be. Last autumn there were problems in this country which needed the attention of parliament, and not the attention of the government only. I might name two of them, the decline in farm income—let me say at once, not due to the bad crop in western Canada because that crop has not yet entered into the picture so far as marketing is concerned—and the grave concern about mounting unemployment. Earlier in the year when we dared to say that this winter we were going to be faced with a larger job-seeking list than we had a year ago, we were told that was very unlikely. But we have found that unemployment has mounted.

A third matter which should have been discussed in this parliament in the autumn was the international situation. I am not going to discuss that international situation today, Mr. Speaker, because I understand the protocol relating to NATO will be introduced, as well as other agreements. We shall have an opportunity then of hearing the Secretary of State for External Affairs (Mr. Pearson) explain the protocol and the agreements, and we shall have an opportunity of discussing those agreements on their merits at that time. I shall not deal with those now.

Before I make any criticisms I want to say that there are some welcome announcements in the speech. I am very happy to learn that at this session some further provision will be made for improvement in the War Veterans Allowance Act. I think that is overdue, as I am sure many members of this house do.

Again, I am not going to take credit for this party or give it to that party; but I say there are hon. gentlemen in their seats in all parts of the house who will be very happy to see this piece of legislation brought down, because from all quarters of the house it has been advocated from time to time.

Then, of course, something in which I have always been particularly interested is the welfare of the blind. Personally I am glad, and of course as a party we are glad—and I presume this feeling is shared by hon. members in all parts of the house—to know that the age of eligibility for the receipt of blind pensions is to be lowered, and the ceiling raised.

Of course we agree with the statement in the speech from the throne that the bringing into force of the Disabled Persons Act brings into operation in this country a great humanitarian measure. Unfortunately the government discovered that this was a great humanitarian measure long after we thought the discovery should have been made. We have felt that the act should have been brought in much earlier.

As we shall indicate by our votes on the amendment, we are disappointed—and I shall

put it that way—that no further steps have been taken toward a national health plan. No such steps are indicated in the speech from the throne this year. The time is long overdue when Canada should have such a plan. After all, we are one of the only two large democratic countries in the world without some sort of national health plan to cover all the people, under a state system. The other country is the United States.

I was in Great Britain and other places this summer. While I shall not say much about it just now, although I may later, I found wherever I went that perhaps the most popular thing ever done in Great Britain was the placing on the statute books of their national health plan. And let it be known that I did not move only or even to a large extent among people who shared my philosophy. I could not help noticing that the policies followed there—rationing, yes; control of prices, yes, and so on—in the last 15 years or so, as well as the health plan, have had a great beneficial effect on the physical appearance and the obvious welfare of the boys and girls of the United Kingdom. When, as I did, leaving London around four o'clock to avoid the rush hours, one sees them getting on the trains after leaving their schools, he could not help noticing their fine physique and, incidentally, their excellent behaviour. These were things which pleased me very much indeed.

So it is that we are disappointed because we are not progressing faster toward this great humanitarian measure. Day by day we see in the newspapers stories of hardship because people are unable to afford the kind of medical and health care they need. I know it is said that anyone who needs the services of a doctor can get them, and in what I say I am not criticizing the medical profession at all. But I do say that many people will not go soon enough to be examined, at the onset of a disease, because they fear the expense—the doctor's fee, the hospitalization charges, and all the rest of it. It seems to me that here is a great advance in social security this country should make without delay.

I said a moment ago that there are two problems, other than the international problem, which should have received attention long ago. Those two problems are urgent and are before us at the present time. They are of course the decline in farm income and increased unemployment among industrial and other workers throughout the country.

Of course these two conditions are closely related. The decline in farm income is felt immediately in the industrial centres, and the lack of purchasing power in the industrial centres is felt in the farm areas. Because if the workers in the cities cannot buy quantities of meat, of eggs, of butter and the like, then of course surpluses ensue and farm prices fall.

So we see the two are interrelated. Net farm income has declined about 40 per cent in the last three years, according to the figures issued by the dominion bureau of statistics. Unemployment has risen each year as farm income has declined. Let us look at recent farm statistics, and again the authority is the dominion bureau of statistics, referring particularly to figures for comparable periods. I shall refer to the figures for 1953 and 1954, and in particular to two columns found in the outline issued by the bureau. These are the figures for the period January to September, 1953, and January to September, 1954.

In 1953 the cash income is given as $1,938 million whereas in 1954, during the same months, it was $1,686 million, or a drop of some $252 million in farm income and farm purchasing power.

I said earlier that to a large extent this decline is not a reflection of the crop failure in western Canada last summer. Rather it is due mainly to our failure to sell some of our farm commodities, notably grains—wheat—which have piled up. It is true that some farm products other than grain showed some increase in returns, due to an increase in farmers' marketings. I am thinking for example of calves. More calves went on the market, as did also more of some other types of produce. But the returns per unit of production in most instances were not higher. Although the aggregate amount was greater, the return per unit was not.

We find now that our own Department of Agriculture, expressing its opinion at the federal-provincial conference with respect to 1955, holds the view that, assuming an average crop this year—and we all hope that we may have an average crop; it may be that we deserve something above average, because of the failure last year—net farm income will be approximately the same as in 1954. If that is so it will not be satisfactory.

In the light of the squeeze that has occurred in connection with those engaged in agriculture, we must have something better. That squeeze has developed because while returns have been reduced over this period of time, costs have tended to rise. Marketings may improve, but I do not think this will compensate for the decline in income and the rise in farm costs. The farmer is caught in a price squeeze. Where farm returns from some commodities increase in the aggregate, production costs increase even more, and that lowers the return for the amount of

labour expended in producing these commodities. It is this sort of thing which should have compelled the attention of parliament last autumn and should compel the attention of parliament this session.

What we think is this. In order to meet the problems that are arising and will continue to arise more acutely as time goes on we have consciously and deliberately to plan our economy so that various types of producers may receive the proper compensation for their toil on the basis—I will use the term so often used—of something like parity. We believe that is essential in a modern state, and more and more we shall have to move in that direction.

Indeed our whole social security system, of which we are justly proud and which we have always supported, depends upon stability in the economy. If we have not a stable economic basis for our social security program, then with drastic declines in returns in industry, in agriculture and so on, we are apt to jeopardize the whole structure we have so laboriously built up. With a serious decline in the returns and in the economy the ability of our people to meet certain obligations would very seriously affect our social security program. Consequently we have to find ways and means of stabilizing the base, strengthening it so that we may carry the load of both the modern industrialism and the social security program.

In agriculture we of the C.C.F. have argued and suggested, both here and in the country, that we should have a forward pricing system so that when the farmer sets out to produce a steer two years or three years hence he will know approximately the minimum price he will receive for that steer at that time. It is being done in other countries and it could be done here. What I have said about forward pricing in the case of a steer is equally true of many of our farm commodities.

I have emphasized that farm purchasing power is of tremendous interest to people in industrial centres. As a matter of fact I noticed how that was illustrated this very morning on the financial page of the Montreal *Gazette*, which I usually read before I come down to the house in the morning. The headline this morning said: "Loss is shown by Cockshutt. Sales off 38 per cent." And I add these words: "in the last fiscal year." Let me repeat it: "Loss is shown by Cockshutt. Sales off 38 per cent." This indicates very clearly that because the farmers have lost their purchasing power the Cockshutt implement company, on which people depend in parts of the Ottawa valley, have sustained losses and their sales are down. What is true of declining sales in this industry is true of many other industries.

As I listened to the Acting Leader of the Opposition (Mr. Rowe) complaining this afternoon about the loss of trade, the loss of markets, unemployment and so on, I thought he was advocating some form of protective tariff to keep the products of what he called the low wage countries out of our country. Just before that he had been insisting that we had to trade more with the United Kingdom, that a conference should be held to give us more commonwealth trade. Yet, if I read the newspapers aright, some of our industries have demanded and received protection against products coming from the United Kingdom. We all remember what happened two or three years ago when the dumping act was used to reduce the sending of small British automobiles to this country.

Only by planning our trade and commerce within a planning of the economy can we meet such a situation. Monkeying with the tariffs will be of no avail. Indeed, when you raise a tariff you erect a wall against your own income. That is what you do. The erection of tariffs in the past has shown that they fail to achieve the objective which a good many working men and women are being told today they can achieve. Always they have resulted in a more privileged position for the manufacturer in that industry and, until the workers were unionized, the more privileged the industry, the more privileged the manufacturer, often the worse the condition of the workers in the industry. That was true of the textile industry in the 1920's and the 1930's, as speeches in this house will clearly indicate. I remember that the late Mr. Raymond put a well documented speech proving that very point on the records of this house some years ago.

We all know that was true until the automobile industry was thoroughly organized, when a change took place. Therefore I say that we, the workers, the farmers or any of us, cannot look for any hope of better things simply by playing with tariff walls. In many instances today tariff walls are giving protection to all kinds of industries.

I bought a small gadget in connection with another little thing I bought in the United States when I was down at the United Nations meeting. Incidentally I declared it and paid duty on it when I came in because I had entered Canada at Halifax a short time before. I wanted another of these little gadgets and I phoned a store here and asked if they had it. They said they had. I asked

how much it was, and they said $3.75. I paid $1.60 in the United States. These are some of the things that need investigation. That is the kind of thing you breed in a country behind a tariff wall. Therefore I can see no hope in tariffs, because they would further decrease our trade overseas. They would be walls against our income, because if overseas customers cannot buy from us we cannot sell to them.

When I hear discussions on convertibility I remind myself that convertibility can only come about when the sterling countries, we will say, can earn dollars with which to make their currency convertible. The only way they can do that is by sending to the dollar countries some of the things they produce. Until we in North America are prepared to make some arrangement so they can do that, convertibility will be a long way off.

What does the government propose to meet the mounting unemployment? Well, increases in unemployment insurance benefits. That is good; but it is like locking the stable door after the horse is gone. It is like the Acting Leader of the Opposition said, a palliative; it does not get to the root of the thing. However, we welcome it because it mitigates the suffering of certain groups of people who are unemployed and can come under the Unemployment Insurance Act. But it is a palliative, not a cure.

I notice that the Prime Minister, speaking at an apparently new Reform Club in Quebec on September 19, 1954, recognized the responsibility of the government, and that responsibility I wish to underline because the government has not assumed it. The Montreal *Gazette* report reads:

> Mr. St. Laurent said the government's job is to find work for all.

With that we agree.

> The government could not guarantee work that would meet the tastes of all but could guarantee enough work to be able to say that all could have jobs.

If the guarantee could be given why was it not undertaken? The Prime Minister continued:

> "We have a country where there should be work for everybody and if we are not smart enough to organize the economy of the nation to provide work for everybody we are incompetent."

Note the words "organize the economy". I take it if you are going to organize you are going to plan, because you cannot organize without some kind of planning. The quotation continues:

> I cannot give details but I am convinced that if my colleagues and I cannot organize economic controls in such a way that there will not be any long periods of loss of work for those who want to work, then throw us out and put in our place people who can do better.

I should be fair to the Prime Minister and add his next few words:

> "Although," Mr. St. Laurent added, "I don't think you can find any."

That is the Prime Minister's opinion, but I think we should keep his remarks in mind when we are discussing the current unemployment situation and the necessity for organizing economic controls to ensure that everybody who wants to work shall have an opportunity of doing so. That, I think, is sound economic common sense, and I am sorry the government does not seem to possess the kind of common sense for which the Prime Minister gave it credit.

From the time that speech was made, and earlier, unemployment and distress increased in this country. What was the government doing to carry out the Prime Minister's suggestion? There are thousands of unemployed all over the country, and unemployment is particularly acute in Vancouver. When I was a child in Britain my parents, if they wanted to placate me, often gave me a very nice stick of candy called Edinburgh rock. I imagine on the same principle the government is giving Ripple Rock to the people of Vancouver, but that is about the only thing in the speech from the throne for the people of British Columbia. I imagine the Minister of National Defence (Mr. Campney) and the Minister of Fisheries (Mr. Sinclair) wanted to get something in there to balance the well-deserved advances being given to the maritime provinces so they gave the people of Vancouver a piece of Ripple Rock.

I am told they have been blasting that for years. Why it should be in the speech from the throne, I do not know. Probably I have given the correct explanation. Something had to go in for the Pacific coast; Ripple Rock presented the least difficulty, and can go in again on future occasions if necessary.

Another thing we have been asked by the Minister of Public Works (Mr. Winters) is why the provinces do not do more in the building of the trans-Canada highway.

An hon. Member: Hear, hear.

Mr. Coldwell: I agree, but what is the federal government doing on the highways. All the federal government is doing for one highway is to pay 50 per cent of the cost. But in a newspaper this morning I noticed that the Eisenhower administration in the United States is appropriating an additional one hundred billion dollars for highway construction over the next ten years. Incidentally, the

main highways of the United States are paid for by the federal government and the states and municipalities receive federal grants for state and county roads. All we are told is that some of the provinces which already have relief payments to make should get along with the building of the trans-Canada highway. I hope they will. I think in my own province they have gone further with the trans-Canada highway than most of the other provinces, but in any event that seems to be a very small amount of work in relation to what has to be done in this country.

I am very glad to see we are going to do something about the elimination of grade crossings. Many of us suggested that during the days of the depression, and if it had been done in a big way—although we do not know if it is now going to be done in a big way—many hundreds of lives would have been saved. However, I want to say that a substantial appropriation to assist the grade crossing fund will receive the wholehearted support of this party.

I do not propose to belabour these points but I should like to emphasize that throughout the autumn labour organizations, the mayors of municipalities, and social workers pointed out that unemployment was once again upon us and that steps should be taken to provide ways and means of enabling Canada to do what the Prime Minister said it was the responsibility of the government to do, namely provide everybody with the opportunity of taking jobs, even though the jobs were not always to their liking, so they could earn a decent living.

The unemployment insurance fund is a palliative, but even men who are entitled to relief from that fund wish they did not have to accept it. They do not like taking anything of that sort if they can avoid it. Consequently I say that the warnings given to the government throughout the autumn should have been heeded and parliament should have been recalled to discuss this problem. It is primarily a federal responsibility and the situation today is largely due to federal inaction.

I therefore think hon. members have no option but to vote for an amendment expressing lack of confidence in the government. Of course the present amendment is not altogether satisfactory to us because it says so much that we cannot quite understand, but at least we do understand most of the clauses and we are, in the main, in agreement with them.

However, I think we need something inserted which will give more punch to this and put the situation more constructively before the house and the country. I am therefore going to move that the amendment be amended. I am sorry that, in doing this, I am obliged to put more words into it. Under the rules of the house I cannot do what I wanted to do and suggested I should do until I was advised that I could not do it, namely strike out most of it and substitute something fresh. Apparently we are not allowed to do that, so I must use some more words. I therefore move:

> That the amendment be amended by inserting therein immediately after the words "Your Excellency's advisers" the following words:
>
> "have deliberately returned to the policy of uncontrolled and unplanned private enterprise which resulted in the depression and unemployment of the pre-war years, and that Your Excellency's advisers have failed to undertake the economic planning necessary to cope with the serious problems now facing the Canadian people, and"

I am not going to read it all to show how those words would fit in. I am just going to read the first sentence:

> We regret that Your Excellency's advisers—
>
> Then insert the amending words—
>
> —have failed to take or to recommend the necessary measures . . .

—and so on. With that I leave the matter before the house. As I say, some other matters of great interest will be the subject of discussion, and we shall take the opportunity of expressing our views at those times. In the meantime I regret indeed that parliament has met in January instead of in November. I may say that I came back from overseas because I thought parliament was meeting about November 8 or 9. I arrived back on November 9 because I thought that parliament would be meeting. I am not sorry I did so because, I may say, I had the opportunity afterward of going to the meetings of the United Nations Organization. I greatly appreciated the opportunity, and found the meetings exceedingly interesting this year.

Mr. Solon E. Low (Peace River): Mr. Speaker, it is presumed that I am now speaking to the subamendment. If what Your Honour said about the amendment introduced by the Acting Leader of the Opposition (Mr. Rowe) was true, then I suppose it would also be true to say that the subamendment has greatly complicated an already highly complicated amendment. I suppose it is a good thing that the rules of the house forbid the introduction of a third amendment. That being the case, I think perhaps I had better give both the subamendment and the amendment some careful study before committing myself with respect to them because I am frank to admit that it is difficult, without some careful study, to know what they

mean. I shall therefore withhold any comment on the subamendment or the amendment and will give the matter careful study, with perhaps the possibility of saying something on them at a later stage.

Mr. Speaker, I do not like to cut speeches in two any more than does any other hon. member. To start to deal with the speech from the throne at fifteen minutes to six does not leave much chance to get far, at any rate, before the house normally adjourns for the dinner hour. However, if it is the desire of the house that I shall continue and use those fifteen minutes, I shall be glad to do so. On the other hand, it would be better if Your Honour would allow me to call it six o'clock.

Some hon. Members: Six o'clock.

Mr. Speaker: Shall I call it six o'clock?

Some hon. Members: Agreed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Low: Mr. Speaker, I think it would have been a good thing if during the dinner hour Your Honour had had time to give full consideration to the two amendments before the house and had felt disposed at this time to declare them both out of order.

Mr. Speaker: Order. Perhaps I might clarify my position now. What I said when I received the amendment was merely by way of warning. I remarked that over the last seven or eight years amendments to the motion for the address in reply to the speech from the throne have had a tendency to become longer than they used to be. If hon. members will look at Bourinot's Parliamentary Procedure, fourth edition, page 96, they will see what the practice was at that time with respect to amendments to the address in reply. There is a footnote at the bottom of page 98 of that edition of Bourinot which reads:

> Between 1878 and 1899 only two amendments were moved to the address, viz.: in 1893 and 1899. In 1878 a lengthy debate took place on the address although no amendment was moved. The tariff was one of the principal topics of discussion, and the inconvenience of discussing it at that stage was evident from the fact that the same subject came up again on the budget. From 1879 to 1890 the debate commenced and ended on the same day, generally before six o'clock p.m. In 1891 the debate on the address was continued from Friday to Monday when it ended before six p.m. In 1897 the debate lasted for a week in the Commons and for two days longer in the Senate, though no amendment was proposed. In 1899 it was prolonged from the 20th of March to the 18th of April in consequence of an amendment having been proposed with respect to the administration of affairs in the Yukon. Between 1900 and 1906 no amendment was moved. Amendments were moved, however, in the session of 1907-8, 1910-11 and in the session of 1914.

In the wealth of information which is at the disposal of the Speaker I found a very carefully prepared memorandum by the Journals branch under the direction of the Clerk which reviews the situation since 1940. There we find that in 1940 and 1945, the first session, no amendments were moved, and that 1945 and 1947 are the only two occasions where amendments as lengthy as that which now has been proposed can be found.

As hon. members know, during the session when a motion is made for the house to go into supply members sometimes wish to move amendments to bring about a debate on a certain topic. If a vote on a similar subject matter has been held in the house prior to the discussion of the new amendment on the motion to go into supply, it is my unpleasant task to remind the house that, the matter having been decided, it cannot be discussed again, and to declare such amendments out of order.

Hon. members will recall that I had that sad experience last year. Therefore when I saw this lengthy amendment today I thought it was my duty to warn those responsible about what may have to happen during the course of the session which has only begun. Having issued that warning, I think it is up to them to secure the necessary consent and take the necessary steps to amend their amendments if they so choose.

Of course the amendment is in the hands of the house. It has been proposed from the chair and now a subamendment has been added to it. Having done what I believe was my duty toward the opposition, I think we will let matters stand. I will accept the amendment as it is and also the subamendment. The position having been clarified, the hon. member may resume his speech.

Mr. Low: Thank you, Mr. Speaker. The mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne are to be congratulated for the very fine efforts they made in this debate on Friday. I do so now sincerely, and express the hope that in debates in the years ahead while they are in parliament we will hear from them often because I am sure they will make worth-while contributions to the discussions that will take place here.

I should also like it to be known that we join heartily in what the Prime Minister (Mr. St. Laurent) said on Friday when he expressed regret on behalf of the members of the house that the Leader of the Opposition (Mr. Drew) was not able to be with us at

the opening of the session, and the hope that he would be fully recovered and able to be here soon. I also want to congratulate the Prime Minister and the government at this time on the appearance of the order paper and the number of matters that are already indicated as coming up for discussion. The number of government notices of motions on the order paper would indicate that we should have no real excuse for not making good progress this session. I think it was a good plan to get this much government business before the house at this early stage, and I hope we will be able to cut down the multiplicity of debates and make it possible for us to get the business of the country done with something like reasonable dispatch.

I could not help thinking, however, while the leader of the C.C.F. party was speaking, of something the Prime Minister said in Saskatchewan some years ago when he was trying to persuade the people of that province to vote Liberal. If I am informed correctly he said, "You must remember that the C.C.F.'ers are only Liberals in a hurry". I listened today to the recounting of a speech made by the Prime Minister last September in which he indicated some things which made me believe that I am quite correct in deducing that if the C.C.F.'ers are Liberals in a hurry, then certainly the Liberals are socialists in low gear. I think I could be excused for drawing such an inference.

In my opinion it is always dangerous to include only one branch of the house when speaking of those who are the champions of liberty. I want to tell the Prime Minister that the party I represent is determined that the Canadian people shall be just as free as it is humanly possible for people to be in a well ordered economy, a well ordered state. I do not mean to say, either, that they should not be ordered; but I will say that we stand for the absolute minimum of regulation of the people of this country and the absolute minimum of regulation of the economy, because we believe that men do their best work when they are free. I wanted him to know that it is not only the Liberals and Conservatives who stand for liberty and freedom; not at all. I place my party squarely with those who are champions of individual liberty.

Before I consider the matters raised in His Excellency's address, I should also like to offer my sincere congratulations to the Minister of Transport (Mr. Marler) upon his appointment to that very important ministry, and also to those ministers who have undertaken larger responsibilities in the government since the house adjourned last June. I should also like to congratulate all the new members who were introduced in the house on Friday. It is my sincere hope that every one of them will have cause to feel that their parliamentary experience has been fruitful of good for their constituents and all of Canada. No matter how long they may sit here, I want it known that we have nothing but good will toward them and toward every member of the house. We want to express that good will on every possible occasion. If we are critical, as we sometimes are—and that is our duty—I want it known that it is not through lack of personal good will to the members of the government or the members of any other party.

I want the Prime Minister to know that he has our good will and our very best wishes when he goes to attend the conference of commonwealth prime ministers later this month. We wish him nothing but the very best on his journey and good results through his efforts at that conference.

Since the close of the last session it has been my privilege to travel a good deal, particularly as one of the delegates from this parliament to the conference of the Commonwealth Parliamentary Association held in Kenya in British East Africa. I was very grateful for that privilege, and I must say that we made many fine friends during the long journey and in the course of the conference. I am sure that commonwealth relations were more firmly cemented and much improved as a consequence of what everyone described as the very best conference the association has ever had.

The sessions were all so interesting I felt I could not afford to miss a single minute, for indeed hardly a minute passed without something being said or done that helped to enlarge our understanding of commonwealth affairs and of the problems faced by the various countries of the commonwealth. I have only high praise for the leadership of the Canadian delegation, as well as for the very effective part that was played by each of my colleagues on the delegation.

After the conference at Nairobi closed I had the very great pleasure of visiting and travelling through the state of Israel. The government of that country afforded me every opportunity of seeing all that I wanted to see, and to become as thoroughly acquainted with their problems and conditions as I could become in the limited time I had to spend in the country. My young Jewish guides and travelling companions gave me a most concentrated course of instruction in Israeli affairs. They introduced me to some of the tremendous problems faced by that young state in a very old country. I was able to get some idea of the complication of Middle Eastern problems and the dangers

for which solutions must soon be found if justice is to be done to the peoples of these countries, and if real trouble is to be averted in that part of the world.

I came away with great respect for the many outstanding things which have been and are being accomplished by the ingathering exiles. I feel much sympathy for the people of Israel who are forced to fight for their very lives with one hand, and with the other tackle the prodigious problems of rehabilitation and reclamation of a country once productive and latterly fallen into almost complete desolation from gross neglect and abuse. Every day I was there I saw prophecy being fulfilled.

Of course after having travelled like that, and especially after having seen something of the affairs of other countries—because I visited Britain, for example, for some time and was able to take a look at things in France—it is something of a temptation to talk about my impressions and experiences. I believe this is not the proper occasion to do so, however. I am sure another opportunity will occur, perhaps in the debate on external affairs that will probably come at an early date.

At this time I do want to thank the Secretary of State for External Affairs (Mr. Pearson) and the foreign office in Britain for what they did to make it possible for me to get into the Arab state of Jordan. I was fortunate in this, I feel, because of late years many applications for visas for travel into Arab territories have been denied. But somehow or other I was fortunate in being able to go there and hold discussions with a great number of people, both on the street and in official positions, so that I got some idea of the feelings of the people in that country toward other parts of the Middle East.

His Excellency's address, Mr. Speaker, did contain a great variety of subjects upon which I should like to have time to comment in this debate. Opportunities for full discussion of some of these matters will be provided when the individual proposals are placed before the house in the form of resolutions or bills. I shall, therefore, follow the good example that has been set by those who spoke before me in this debate and choose only a few things for attention at this time.

I note that we are being asked to approve the agreements reached at the London and Paris conferences relative to the entry of the Federal Republic of Germany into the North Atlantic Treaty Organization. Inasmuch as I understand these agreements will be coming up for discussion by parliament within a very few days I shall not say anything about them now except this. We will make clear our position on the proposition when we are asked to approve the agreements. At the moment we are giving earnest study to the implications of all that was proposed both at London and Paris and all that is contained in the protocols, and we will be prepared to express our views fully when the debate occurs.

I should like to speak briefly on that part of His Excellency's address having to do with the Colombo plan and the United Nations technical assistance program. In my judgment both these programs have been amongst the finest things the western world has ever done to help the less fortunate peoples of the world and to bring development to the underdeveloped countries. Canada's contribution for the past four years has been a modest $25 million a year. There is evidence that what we have given has been appreciated as well as effective in helping Pakistan, Ceylon and India in particular. But when the consultative committee of the Colombo plan met in Ottawa this past autumn many of us hoped Canada would accede to the request for a substantial increase in her yearly contribution under these schemes.

These plans were conceived for the purpose, amongst others, of course, of trying to save 600 million people from gravitating into the communist orbit out of sheer desperation. There was also the thought that the commonwealth might be strengthened and brought more into unity through the economic help made available under the plans. Just a little thought, it seems to me, would reveal that our contribution is pitifully small and inadequate if the original purposes of the plans are to be achieved. Let us always bear in mind that overriding communist global strategy seeks to bring under communist domination great masses of people. Imperialist communist strategists know that they do not now enjoy, nor indeed can hope in the foreseeable future to enjoy, parity of industrial strength and armament output with the free western world. What they lack in industrial capacity they hope and confidently expect they will be able to make up in manpower. Consequently every step they take or move they make is designed to bring into their orbit and under their control huge masses of people whom they will throw at the western nations in a most prodigal fashion whenever it suits their purpose to start the struggle. To them people are expendable in hundreds of millions if necessary to achieve their objective of world domination.

Against that background of communist global strategy it seems to me we ought to consider the sober truth, that the so-called Christian and other enlightened free nations of the world have not yet had the courage or ability to make an honest effort to solve the two problems that have plagued humanity for hundreds of years. I refer to the problems of distribution and war. Also, we ought to realize that it is no longer possible to condemn half the world to perpetual poverty in the interests of the favoured half. To my mind that has never been any better than a callous indifference to the sufferings of our fellow men, a dog-eat-dog policy. Surely we ought to remember with thanksgiving that we belong to the favoured half of the world. We have been richly blessed by divine Providence. I believe it is our obligation to share our good fortune with those of our brothers who are less fortunate in other parts of the world.

For some centuries now countless millions of human beings in other lands have languished in ignorance and unbelievable poverty. I saw some of that poverty this summer, and it is very difficult to get a picture of it over to the people who live in this land. But let us never forget for one moment that modern communication and transportation services have made known far and wide the advantages the favoured half of the world enjoys. The backward peoples have awakened. There is a widespread impulse amongst them toward nationalism and economic independence which is bound to wreck all our hopes for international peace if we in the rich and favoured areas of the world do not step forward and help them to rise above their poverty, and above even a subsistence standard of living.

There has to be something better than that. And remember that many millions of people in very large parts of the world have been captured by imperialist bolshevism simply because the communists have jumped on the nationalistic bandwagon and persuaded the unfortunate and hopeless masses that the best friends of nationalism are the communists. They have been able to get that idea over somehow. We in the favoured nations are just now waking up to the fact that one of the evils for which our nations in this generation may have to pay dearly is our determination in the past to compel the weak and the poor to accept continuously the race against the rich and favoured nations on terms dictated by the rich.

I have in mind, when I say that, such things as the unconditional most-favoured-nation clause in trade treaties imposed by the United States upon all nations which trade with her. Unfortunately Canada has been dabbling in such things herself in late years. The international gold standard of Bretton Woods is another example. I could go on naming them, but that will do for the moment. The great problem we must solve is that of making available to the areas of the world that need it the surpluses of wealth produced by the richer countries, such as Canada and the United States, which are working under an incentive system. And we must do it without reducing the independence of the people we help, and certainly without killing or discouraging their struggling industries. These things can be done; they are not impossible.

An international commodities clearing house such as we have proposed from time to time would help very greatly, and great help would also come through the expansion of the idea of technical assistance for backward areas, under the Colombo plan. But let me say that it would have to be a big expansion, not just a miserable million dollars a year. It would have to be a big expansion of these ideas; and there will have to be a most unselfish approach to the whole problem if it is to be solved.

This year Canada increased her contribution to the Colombo plan by $1 million. Mr. Speaker, I do not have to say that was niggardly and that it was not at all representative of the wishes of an unselfish Canadian people, generally. You know, the government of Canada and that of the United States —particularly that of the United States—have been crediting themselves with some unusual virtues for doing in just a small way under the Colombo plan and the Point Four program the things that have actually been necessary for their own survival. The United States has proved conclusively that the huge gifts to other countries, gifts running to scores of billions of dollars since 1945, did not hurt her economy in any way, nor did it reduce the standard of living of the American people. Rather it kept employment and economic activity in that country at a very high level. And these huge gifts, one might say, did not alter or change in any way the basic economic structure of the United States—nor that of Canada, so far as we have gone. It is interesting, however, to note that the attempt of the United States about a year and a half ago to cut down their overflow of gifts to other countries under these plans did bring about in that country a recession that threatened to bog down into a real depression.

Now, with the wonderful scientific resources at our disposal the possibilities for the production of new wealth are almost limitless. I think it is a sad commentary on our so-called enlightenment that we have let our

political and economic systems and our standards of morality lag far behind, to the great disservice of humankind the world over. Our country, and the world today, is faced with the greatest challenge of all times. We are challenged to work out new ideas—and they must be new—and new techniques to guide the free part of the world through what I conceive as an era of unparalleled expansion and development, which I think could be realized all over the world if we could only achieve a real change of heart, get down to business and solve first the problem of distribution and then the problem of war. Solving the first—that is the problem of distribution—certainly would contribute to a great extent to the solution of the second, which is war.

I am not suggesting that we should suddenly begin giving billions to the Colombo plan, but surely we must appear ridiculous and parsimonious to the world when we grudgingly increase our contribution by a million dollars a year. India herself can use much more than she is getting through the plan; and there is some reason, it seems to me, for urgency in bringing more help to India's teeming millions through the Colombo plan and the Point Four program. Russia sees the immense advantage of making an offer of substantial economic assistance to India—or at least promising it—because recently she promised or offered to build a steel plant for that country with a capacity of a million tons a year. That sort of thing is something which arouses the imagination of the people of India.

My reason, Mr. Speaker, for taking as much time as I have on this matter tonight is the hope that the government will re-examine its proposals and bring in provision for an increase of more than a paltry million dollars over last year's contribution. Such an increase would demonstrate our thankfulness to a provident Creator and demonstrate the kind of love for our fellow men that Christian nations should be demonstrating in times like these. It would demonstrate our political sagacity in a world of conflicting ideological manoeuvres and would demonstrate our economic good sense, because the contributions we might make would reflect themselves in increased economic activity and employment in our own country.

Mr. Speaker, I should like to say a few words about the agricultural situation in Canada. The speech from the throne painted a rosy picture of general conditions in Canada. It says nothing, however, about the real condition of agriculture. I would like to point out that the farmers of Canada have just passed through a most difficult year, not only because of the low yield of wheat in the west but because of the weather conditions. Harvesting weather was poor in many places. Not only that; they are still caught firmly in the price-cost squeeze. That price-cost squeeze has been getting worse continually since 1951. The spread between the prices obtained by the farmers for their products and the cost of production is today the widest it has been for many, many years. There seems to be every prospect, too, that it may widen even more. The price of cattle and hogs is not expected to improve at all this year. Experts I have heard speak just recently suggest that those prices probably will decline to some extent.

Everybody knows that 1951 was a good year for the farmers, for in that year price and cost levels were about the same. But immediately after 1951 there was a strong downward movement of farm prices, while costs of production have remained almost exactly the same as they were in 1951. Retail prices of food have not followed the downward trend of farm prices, which leads a great many uninformed people to blame the farmers for the high retail prices of many food items.

It is claimed that with the recent wheat movements into Europe, and with the generally reduced yields in western Canada, the wheat outlook is somewhat improved. But it is mighty hard to convince the farmers—the farmer, for instance, who has not yet been able to deliver even his first quota—that the situation has improved.

Something was said about cheese. Two and a half million pounds of cheese are coming into Canada from New Zealand. Just yesterday I heard one of the agricultural experts of the Canadian Federation of Agriculture state that the reason given by officials for allowing that cheese to come into Canada was to assist New Zealand to balance or come near to balancing an unbalanced trade with Canada. Now, if that is the case—I am not saying it is, but I heard it yesterday afternoon over television—then one can justifiably say that what we are trying to do is make the cheese producers, the milk producers of Canada, subsidize the industrial production of Canada for export to another land. That subsidization business has been done before. The farmers have been asked on occasion to subsidize the whole of the Canadian people, to bear the whole cost of cheap bread, and they certainly subsidized the people of Britain under the British wheat agreement. This subsidization business piled on the shoulders of the farmers of Canada has gone just too far in many instances.

The farmers of Canada today are operating under quite a number of serious handicaps

in addition to those I have already mentioned. I could mention that the Canadian dollar remains at a premium over that of the United States. It has varied in the past year at rates up to 4 per cent. The government of course says that the strong position of the Canadian dollar is an indication of how strong the Liberal party has made the Canadian economy. Well, from the farmers' point of view and that of all other exporters, it was a very sorry day when the Minister of Finance removed the peg on the rate of exchange of the Canadian dollar in terms of the United States dollar. The present premium position of the Canadian dollar does mean a difference of 6 or 7 cents a bushel to the Canadian wheat farmer, and more than that if you consider the discount position of the Canadian dollar not so long ago.

Let me mention another handicap. Some time ago the United States adopted a policy of disposing of surpluses of food by accepting the currencies of the buying or importing countries in payment. There was a limit of $200 million set on such transactions in the beginning, but according to the *U.S. News and World Report* the Secretary of Agriculture, Mr. Benson, recently said that the limit had been increased to a billion dollars. That puts the Canadian farmers under pretty serious handicaps. This government of course closed its mind to any such suggestion as accepting at least some sterling in settlement of our trade balances with Britain.

Last year you will recall that this group moved an amendment calling on the government to seek to restore and maintain our traditional markets for farm products by agreeing to accept some currencies of the importing countries, at least to the extent which we could easily finance internally. At that time the claim was made by the government that Britain did not want to do that kind of business. Unfortunately that claim was also made by other people. I did not believe it at the time, and I do not believe it yet. I had the opportunity of talking about it with several quite prominent members of parliament at Westminster during this past summer, and without a single exception they thought the proposal was good and worth while, and that it offered no unsurmountable problem to the United Kingdom. One of those to whom I talked was the son-in-law of the British Prime Minister. As a result of this government's lack of foresight and courage to take effective action and face up to the realities of world problems, our farmers find themselves under very serious handicaps in comparison with the farmers of other countries, notably those of the United States.

A third handicap is that there is strong opposition in the government to the adoption of really effective price supports. As a result we in Canada have very few of them, and the consequence is that there is a very wide spread between what the farmer has to pay, his costs, and what he receives for his hard work. Opposition to support prices for farm products is not confined to the government. I have seen various biased and uninformed interests, in eastern Canada especially, who take a violent stand against support prices. I notice, for instance, that Toronto *Saturday Night*, in its last issue, devoted its front page editorial to a tirade against support prices for farm products. All the opponents of the idea used the experience of the United States as evidence that price supports are bound to induce huge unsaleable surpluses of food products.

There is some argument, in my judgment, against the use of rigid supports based on a high percentage of parity, such as has been used in the United States. From the farmer's point of view, of course, the argument is mainly for such rigid supports. But from the point of view of the nation as a whole and world trade, a rigid system of price supports can cause great difficulties, indeed has caused great difficulties. We realize that; but the same cannot be said about a flexible system of price supports. There is a very good case that can be made in favour of the adoption of such a flexible system here in Canada, the percentage of parity that is used of course to depend upon the amount of incentive which ought to be provided to achieve the amount of production that is required to meet the need.

The farmers of Canada have every right to expect this government to introduce a system of flexible price supports for farm products, at least as long as the government maintains protective tariffs on industrial products, tariffs which are, as everybody should know, a form of subsidized support prices. If everything were free to be influenced by the law of supply and demand it would be difficult to argue for support for farm prices, flexible or otherwise. But things which the farmer has to buy and which enter into his costs of production are not free. That is the rub. We never hear the opponents of farm support prices putting up any arguments against protective tariffs that are aimed at supporting our industries against the competition of foreign industry, but they will argue and argue against the adoption of flexible farm support prices.

The problem we face in this country is to adopt some policy and some technique which will guarantee the farmers their fair share

of the national income. The figures will bear out what I say. The farmers, who make up approximately 20 per cent of the population of Canada, received in 1953 only 9·9 per cent of the national income. I am speaking here of course of income originating in agriculture. We have to allow for the fact that some farmers do get income from other sources, but even allowing for that the percentage would certainly be no more than about 11 per cent.

I say the problem to be faced in a country like Canada is to adopt a policy which will guarantee the farmers a fair share of the national income. It would be only just and right if the farmers as a class make up 20 per cent of the total population of our country that they should receive something like 20 per cent of the national income. There has hardly been a time in the history of this country when this has been the case.

Some means will have to be found to help our farmers, under the archaic policy this government persists in following, to receive a just and fair return on their capital investment, their hard work and their managerial skill.

I point out that it is going to be pretty difficult for young people to start in farming. In these days it requires a pile of money to get started in the farming business. If we do not take every measure that is possible to help to make our farming population prosperous, then there can be no hope that the rest of us can ever enjoy any measure of continued prosperity. There is a relationship, as has already been pointed out this afternoon, between declining farm income and the growing unemployment in Canada.

In concluding this part of what I have to say, Mr. Speaker, there is one other matter I should like to mention. One hears a good deal of unfair criticism of the farmers, and particularly of the prairie provinces, in connection with the price feeders in the east and in British Columbia have to pay for their feed grain. It is not the fault of the farmers at all, although they are too often given the blame.

I think there is a situation here in Ontario that should be thoroughly investigated. Feeders often order feed of a specific grade—say grade five or six—and they are charged prices on the basis of those grades. When they receive the feed the farmers often find that somewhere along the line, after the grain has been shipped out of the prairie provinces, dealers have mixed into it a grossly inferior quality with the result that the feeders do not get the grades they order and are made to pay for.

The Canadian wheat board claim this is outside their jurisdiction and that they cannot do anything about it. Well, somebody should be in a position to investigate it and take corrective action. I say this government is in a position to do so, especially since it is subsidizing freight costs of much of the feed shipped into eastern Canada from the west.

I think, too, that the recent Stephen F. Murphy case points up the need for a very careful examination of some of the Canadian wheat board practices in connection with the shipment, or attempted shipment, of feed grains from the prairies into British Columbia. It should not be beyond the abilities of the members of the wheat board and of the board of grain commissioners to work out some method whereby individual feeders of poultry or livestock can buy and ship their own feed grain supplies without the interference or silly regulations of the wheat board.

All these things, and more I could mention, lead the farmers of Canada to feel that this government has failed them very badly. Taken as a whole the farmers in western Canada, at least, feel they are looked upon by the government as second-class citizens, and something will have to be done to correct this situation.

An eye should also be kept on the Crowsnest freight rate. There are forces seeking to cancel this freight rate, and they should not be allowed to do so until such time as the freight rates generally have been equalized, and until we are certain that through the equalization principle justice will be meted out to western Canadian farmers.

There are other things on which I would like to have spoken, but I see my time has now expired and I certainly do not wish to go beyond it even by a minute.

Mr. F. T. Fairey (Victoria, B.C.): Mr. Speaker, in rising to speak in this debate at this time one would have thought by now we would have learned something from the opposition and from those who wish certain changes to be made before the final adoption of the address, so ably moved by my two colleagues the hon. member for Verdun (Mr. Leduc) and the hon. member for Trinity (Mr. Carrick). To the congratulations already offered them I add mine, and also my good wishes for their success in this house.

It is too bad, Mr. Speaker, but the confusion which seemed to arise from the nature of the amendment would lead one to suppose the opposition has found very little fault with the contents of the address. What they have to suggest are additions rather than changes.

As to the proposed program of the government, it seems to me to be comprehensive and to provide for all the inadequacies of previous legislation. The program, I suggest, is a broad one, and when fully implemented will give general satisfaction. On the domestic scene there seems to be something for everyone who has a just and reasonable claim for government assistance. Once again our security program is well balanced and integrated.

Further afield it may be noted that the government continues to take a firm stand, along with other free nations in the world, with respect to our commitments as a member of the United Nations Organization, and also in connection with the vexed question of the inclusion of Germany in the North Atlantic Treaty Organization.

While I have no intention of singing the praise of the government for all the measures proposed in the address, I do wish to comment on one or two of them. One is the question of the rearmament of Germany. In common with all hon. members in this house I am opposed to the rearmament of Germany or any other nation, including ourselves. Any sensible person who has any knowledge of war and its consequences can take no other stand. But I do believe that if we are looking toward the perfect world envisioned by the Saviour, then it must be reached by progressive steps; and one of those steps is to make sure that those who do not agree with our point of view are prevented from taking any aggressive measure which would negate the progress which has already been made.

In my view there is justification for the calculated risk; and under the present circumstances, having calculated the risk, I feel we have no alternative but to accept the view of the government, in concert with our western allies, and agree to what appears to be the lesser risk by including West Germany in the defensive alliance.

I have mentioned the progress already made. In this connection I wish to emphasize the great and growing influence of Canada as a world power. This is really a unique position for a country so young as ours and one which is due, I think, to the confidence other nations have in the government of this country and its great leader, the Prime Minister (Mr. St. Laurent).

If I may indulge in a little flattery and select one of his cabinet ministers I would mention our Secretary of State for External Affairs (Mr. Pearson). How he manages to carry the great burdens of his office and still maintain such a buoyant personality is beyond me, but I have no doubt he draws on the Prime Minister's inexhaustible store of energy. In any event I am sure they have not only the admiration but the gratitude of all Canadians.

We have also been served very well this summer at the United Nations by our delegation. To his well known gift of persuasive and polished speech the vice-chairman of that delegation added a remarkable skill in the drafting of difficult resolutions, and I am sure the prestige of Canada did not suffer by the contribution of the Minister of National Health and Welfare (Mr. Martin).

In turning to one or two of the items mentioned in the address, may I say I am delighted to learn that the act concerning disabled persons has been proclaimed. It remains only for the provinces to arrange administrative machinery at the local level to make effective this most desirable and helpful measure.

Now I come to a very vexed question. I wonder whether I dare mention war veterans allowances, because I am considered somewhat of a rebel in this regard. It might be thought appropriate if the discussion on this question were deferred until the amendments are brought before the house by the Minister of Veterans Affairs (Mr. Lapointe) but I am going to mention it now because I have some suggestions to make. Furthermore, I suspect that there will be many members of this house who will wish to put in a claim for the credit for what is to be done. In fact, we have had many of them named already, and I do not want to appear to be one of them.

A great deal of nonsense has been talked about war veterans allowances. The fact that it is an allowance for assistance and not a pension for a disability has seemingly been obscured and lost sight of. Originally the scheme was based upon the implied and, to me, unwarranted assumption that all those who served in an actual battle area were *ipso facto* prematurely aged by ten years. Veterans, and particularly those of the first war, know that simply is not true. Certainly I will not accept it as a fact.

I was going to ask the hon. member for Esquimalt-Saanich (Mr. Pearkes) to allow me to use him as an example. He is not in his seat, and I regret that fact, but I am going to use him anyway because I am sure he will not object. One has only to look at my good friend the hon. member for Esquimalt-Saanich to doubt the statement that a man with battle service is prematurely aged by ten years. If anybody had front-line service, he certainly had it and in good measure. But I doubt that he would be flattered by the thought that his chronological age is not a

true measure of either his appearance or his vigour. If anybody likes to tell me that I look to be 77, I will argue it out with him.

Nevertheless, it is perfectly true that there are some amongst the recipients of war veterans allowance whose experiences were such as to take a heavy toll of their strength. I am thinking particularly of the man of the first war who experienced long periods of extreme fatigue during the trench warfare days, followed by exhausting battle experiences in the prolonged and grim struggles toward the end of that war. Also I am thinking of the prisoners of war who, after those experiences I have just described, had the added agonies of being treated inhumanely in prisoner of war camps. That point need not be elaborated. I can agree, and even assert, that such men have suffered to the extent that their ability to become rehabilitated in civilian life has been impaired and that they suffer disability despite the fact that their medical history sheets do not show it.

I wonder if I may speak to the veterans in this house. How many of us remember having a medical examination immediately prior to discharge? I do not. Yet I must have had one because I was discharged as A-1. I suspect, though, that the boys of the second war were wiser or perhaps better advised, because I rather fancy they see to it that they get everything on their medical history sheets.

As a means of settling this disturbing question of war veterans allowance, my suggestion to the minister is this. Surely the experience of his medical advisers, of himself and of the fine men who administer the affairs of the veterans affairs department is such that, in the light of their present knowledge, they can devise some formula or criterion to be applied to the recipients of war veterans allowance in order to determine whether in fact their experiences during the war were such as to impair their physical or mental capacities. If that can be shown, perhaps by examination of their battle records, then I say that these men should be granted the disability pension. Such injuries are real and can be as devastating, I am quite sure, as an actual gunshot wound. Their names could be removed from these long lists of recipients of war veterans allowance. Surely nowadays we know that all hurts are not measured in medical terms.

I have such great confidence in the ability of the officials of the Department of Veterans Affairs that I feel sure they could come up with some formula or plan such as I suggest and eliminate these people who have a just claim for injury although it is not shown on the medical history sheets. This would leave all those who should be assisted as recipients of straightforward assistance without any implication of reward for service or pension or anything else. I know it is a difficult job, but I do not think it is beyond the ability of the officials.

To conclude this harangue on war veterans allowance may I say this. In my view, to increase payments as is now proposed is good and desirable, but it is not the complete answer because, as somebody has said, once you grant assistance you create a pressure group, and so long as the group about which I have been speaking is included, there will continue to be further pressure. If I may coin a phrase, it would be to say this: Sufficient is not always enough.

This being the debate on the address in reply to the speech from the throne, Mr. Speaker, it is traditional that one should say something about his own province and his own constituency. In my case these are British Columbia and the capital city, Victoria. When I first spoke in this house, on the address in reply to the speech from the throne in the first session, I stressed the importance of transportation and stated that transportation facilities are essential to the development of my province and, indeed, of all provinces.

Here I am going to parallel something that was said by the leader of the C.C.F. party because in the press I notice that the Minister of Public Works (Mr. Winters) has urged the provinces to "get on with it" in connection with the building of the trans-Canada highway. I am not facetious when I say that I hope the eyebrows of the Minister of Public Works will not rise too high when I suggest that if he expects the trans-Canada highway to be completed in a reasonable number of years, he had better do it himself; and if he ever gives it a thought, he might consider asking his colleagues to consent to his asking this house for funds to do it as a federal venture.

I am one of those who believe that before too many years, with the development of transportation and freight on the highways, we shall have to have some form of federal highway authority, charged with responsibility for the construction and maintenance of highways which can truly be said to be interprovincial, perhaps traversing or connecting two or three provinces. That may be a long way off. The seed I am casting may fall on stony ground, but seeds have been known to sprout in unlikely places.

It was my intention, Mr. Speaker, to confine my remarks on transportation to a serious situation which confronts my own constituency, the city of Victoria, Esquimalt and the surrounding area. I say this seriously

because the transportation facilities by sea between the lower end of Vancouver island and the mainland city of Vancouver are worse now than they have ever been in my lifetime. It is my hope that I may be permitted to lay detailed suggestions before the Minister of Transport (Mr. Marler). I sometimes wish that more members from the eastern provinces would follow the example of the hon. member for Verdun (Mr. Leduc) who made his initial visit to the Pacific coast this past summer. They then would perhaps be able to follow me more clearly and understand the problem which confronts us.

For 50 years the British Columbia coast service of the Canadian Pacific Railway provided a first-class steamship service between Victoria and Vancouver and other ports, a service which could only be described as luxurious, with fine, fast ships beautifully kept and operated with high efficiency. In fact that line was the pride of the coast. Then the war took its toll of those ships. In the meantime new and faster methods of transportation, such as aircraft, skimmed the cream off the passenger traffic between Vancouver and Victoria except during the tourist season. When you realize that Trans-Canada Air Lines operate fourteen flights a day each way even in the winter—of course we do not have any winter in Victoria—you can realize how many passengers are lost to the steamship service. The result is that it is not profitable for the Canadian Pacific Railway to continue the former boat service.

While the competition for passenger traffic has been the major factor in the deterioration of the service, the failure to replace obsolescent ships with modern ferries has also been a contributing factor. The great development in the northern end of Vancouver island, where the establishment of new pulp mills and plywood plants seems almost a daily occurrence, makes it imperative that the port of Nanaimo be fully and adequately developed. That has been done by the C.P.R. They have provided modern vessels, new ferries able to handle fast, heavy, freight trucks.

Mr. Speaker, what I shall further say is intended in no sense to detract from the importance of Nanaimo, nor is it in any sense our intention to put Victoria in competition with the northern part of the island. Nanaimo serves the northern part of the island and Victoria the southern part. What we are demanding is a separate service which, with the assured growth of the northern part of the island and a like development in the south, will be to the benefit of the whole province and the whole country.

Be it remembered that 52 per cent of the population of Vancouver island reside south of the height of land known as the Malahat, and that Victoria and vicinity contain over 135,000 persons. Whatever happens elsewhere, Nanaimo is ideally situated to serve the central and northern portion of the island but it cannot, because of the distance, adequately satisfy the needs of the south. Yet that is what we are asked to put up with. Passenger service by sea from Victoria to Vancouver is provided by obsolete ships running on a schedule which makes no attempt to connect with the transcontinental railways. It may surprise hon. members to know that in order to catch the train leaving Vancouver at 7.30 in the evening one has to leave Victoria the night before and stay over in Vancouver for a complete day.

An hon. Member: You are lucky.

Mr. Fairey: Moreover, the distance is too great and the voyage too long to appeal to ordinary businessmen. It is well known, Mr. Speaker, that freight now moves chiefly on wheels by means of large, heavy trucks, and Victorians are asked to be satisfied with, and to pay the additional costs for, a freight haul first from Vancouver to Nanaimo and then 70 miles to Victoria over a highway not suited for the traffic.

What is the remedy? It seems remarkable to me that a company that has enjoyed a monopoly of traffic for many years, and which has given good service, cannot see that there is a remedy easily available. No one expects the company to continue to operate this service at a loss. Therefore I make the suggestion that the Minister of Transport (Mr. Marler), after examining the details, consent to having a proper engineering examination made of the whole of the Saanich peninsula. There are at least three sites on the Saanich peninsula, one of them being Sidney, which can be developed into year-round, every day of the year ports to which fast, modern ships could sail from Vancouver or Steveston, thereby reducing the sea voyage to a distance comparable with that between Vancouver and Nanaimo. The advantage to the southern end of the island would be that the freight haul on land would be 18 miles as against 70 miles from Nanaimo.

I have brought this matter before the house knowing full well that many members are not particularly interested and perhaps not particularly concerned, but it is a matter of importance for Victoria, a capital city, which is being left to stagnate while other parts of the country are growing by leaps and bounds.

I am deliberately trying to reduce the length of my remarks because I know it is

the intention of all of us to have this debate concluded as soon as possible, but I wish to mention one other matter.

So far, with the exception of my remarks on transportation, I have contented myself with discussing matters that are referred to in the speech from the throne. There were one or two points, however, that I hoped would be mentioned but which were not. There is no reference to the possibility of the establishment of a Canada council as recommended by the royal commission on the arts, letters and sciences. I mention this first of all because of a fairly recent article in a periodical which delights in finding fault with anything that the government proposes. The article referred sarcastically to this recommendation of the commission as asking for the appointment of an expensive body to do a job which the universities can do without further advice.

In the second place, because for many years I have personally championed vocational and technical education, I have been accused in my own province of not being interested in the arts or the humanities. Why is it, Mr. Speaker, that we always seem to be faced with a choice? We are either one thing or the other. We never seem to be given credit for being interested in two things at the same time. It is my experience that most people with competence in the technical field are a good deal more interested in the arts and humanities than many who pose as intellectuals. It seems to me that we have been subsidizing industry in many ways for the production of articles and tangible things. Why should we not now subsidize in some way those capable Canadians who are able and willing, with help, to produce those intangibles which we all really crave?

We boast proudly of our stature as a nation and our position in the councils of the world. As members of parliament we content ourselves with spending our time in dealing with things and not with people. It seems to me that we should now devise some form of subsidy to encourage capable Canadians in the production of those things which we crave, and thus provide for the rest of us an opportunity to grow in mental stature and appreciation of those intangibles, the enjoyment of which brings to man his fullest development. It would be my hope that before this session ends the Prime Minister (Mr. St. Laurent) might find it possible to make an announcement with regard to this important matter.

Mr. H. O. White (Middlesex East): At the very outset I want to convey my congratulations in the traditional way to the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne. Also at this time I should congratulate the Acting Leader of the Opposition (Mr. Rowe) upon his wonderful contribution to the debate this afternoon. To the new members of the house I want to say a word of welcome and congratulations, and to add that they will find the other members tolerant and friendly people.

Since I am speaking tonight on the amendment to the amendment, I believe I should read it. It reads as follows:

> That the amendment be amended by inserting therein immediately after the words "Your Excellency's advisers" the following words:
> "have deliberately returned to the policy of uncontrolled and unplanned private enterprise which resulted in the depression and unemployment of the pre-war years, and that Your Excellency's advisers have failed to undertake the economic planning necessary to cope with the serious problems now facing the Canadian people, and".

The British people, Mr. Speaker, repudiated such a program a few years ago and have demonstrated that the policy they are now following has lifted them out of a desperate situation. It would be folly of the worst kind, I feel, for us to accept the suggestions in the amendment to the amendment put forward by the socialists in this house.

Now, referring to the speech from the throne itself, I personally feel that it is the greatest disappointment I have experienced in the 12 or 13 sessions I have attended. It is a record of history instead of a call to action. When labour, fiscal and trade problems are uppermost in the minds of most of our citizens I believe one may aptly say of the throne speech, "They asked for bread and received a stone." I just want to contrast that with President Eisenhower's state of the union message delivered a day or so ago. There was not a word of the past in it, but it was full of hope, work and direction for the future. This year the President was concerned with a world half slave and half free.

Just while I am dwelling on that I want to mention a name probably forgotten by many; that is Clarence Darrow. He said that he who admits of a changing world admits the theory of evolution. In spite of all our beliefs, we must admit that this is a changing world; no one can deny it. The fault I see with the throne speech and with the government is that they have hitched their trading and fiscal policies to an inflexible system or plan, supervised and ruled from outside our shores. This same government has made or tried to make a fetish of everything Canadian, and has severed every possible connection

with commonwealth countries in an economic way. They have tied our trade system to international control.

I believe we all admit that the theory of GATT is probably an ideal in today's unsettled world, but we, along with our United States friends, are a practical people. Being practical, how can we tolerate a trade policy that fails to take into consideration our inflated economy, a 48-cent dollar, our high prices and high standard of living with consequent high production costs as compared with many of the other countries competing in the markets of the world with our Canadian products? Labour, may I suggest, is fully aware of the fact that tariffs protect not only industry but the labourers in industry. I need refer to only one industry in our economy in that connection, the textile industry. Just here I might interpose the question, does Canada want a textile industry?

The government has continued to ignore the Canadian producer in deference to the consumer cost of living index. In other words, they are more interested in cheap consumer goods than in employment. I make reference here to just two items, textiles and cheese. When I speak of cheese I am bound to ask what has become of the much vaunted price support program that the party in power has told us about throughout these years? Now that the farmers are in difficulty the government has sabotaged our great basic dairy industry. I want to ask, of what advantage is it to the housewife to have cheap consumer goods if her husband is unemployed and she has not the wherewithal to buy them? What benefit is it to thousands of Canadian farmers who have had extremely poor crops this year and are not in a position to purchase these so-called cheap goods?

In my area of southwestern Ontario there are hundreds and hundreds of acres of white beans under the snow that are unharvested and never will be harvested. They will be a total loss. There are thousands of acres of soybeans as yet unharvested, and there are many thousands of acres that never will be harvested. This applies to corn as well. I assure the government that the purchasing power of agriculture in southwestern Ontario has been severely reduced.

I want to mention also that, necessary as it is, the tinkering with unemployment insurance payments will never cure the causes of unemployment. Again in the speech from the throne the unemployment problem has been soft-pedalled and underestimated. Many hon. members recall the slogans of the Liberal party in the days of Mackenzie King, the full dinner pail and later on full employment. Apparently the government has forgotten about that. Canada, with her vast natural resources which my leader so aptly mentioned this afternoon, is the last country in the world that should be suffering from unemployment. If we would just process and market the natural resources of our country instead of importing employment from abroad, we would provide work for our people. What we actually need is a revised fiscal and trade policy.

I am just going to mention here that what we need is a policy designed, as was Sir John A. Macdonald's, on the basis of tariffs for the protection of labour and industry, not a tariff for government income as exists today. Many tariff items should and could be reduced if it were not for the government's failure to put their house in order and practise economy.

I just want to say a word here to the Minister of Finance (Mr. Harris). I sympathize with him, as did my leader this afternoon, in the difficult task he has undertaken. This year the city of London is celebrating its centennial year. Some time ago it was mooted that London would issue wooden nickels, and there was a suggestion to the effect that this would not be allowed. Anyway, they have issued the wooden nickels; and I would point out to the minister that no longer can Canadians demand gold for the dollar bill, which is also made of wood. When I think of the resources in the city of London I believe I would just as soon have their wooden nickels, because they are convertible in that city, and that is where I purchase most of the things I buy.

Last week we observed a triumvirate of the cabinet going, hats in hands, to Washington to, let us say, get a better deal, or a new deal, or some kind of deal over there, but coming back empty-handed. Canadians have been led to believe that an aura of infallibility surrounds cabinet ministers, but I think what we have seen happening in the last few months has destroyed that state of mind, and that it will never be believed again. Their very purpose in going to Washington was to avert the catastrophe that we in the opposition have been pointing out to them for many years, when we said that they have been putting their trade eggs all in the American basket. History has shown over the years that the United States is not a dependable market.

There is also the question of the resignation of Mr. Graham Towers, hailed in this country as a financial wizard who could not be wrong. Does his resignation presage some change not altogether welcomed by him or by the government? There is more than appears on the surface, in my estimation.

One of the achievements of the former minister of finance, aided and abetted by the governor of the bank, was this 48-cent dollar, brought about in 16 years. Indirectly this has robbed the people who have saved for their old age. They have been deprived of 50 per cent of their savings, and it made penurious those on fixed incomes.

Canadians never again will indulge in the luxury of believing that the cabinet cannot be wrong. These men are mortal, just like the rest of us. Thousands of my constituents could give the Minister of Finance (Mr. Harris) a few pointers on deficit financing. Never since the thirties have so many people been in the same predicament as the government, with insufficient money to pay the bills. I suggest to the minister that he should be forced to do what they will have to do; first of all curtail or eliminate unnecessary expenditures, go without luxuries, and work at those enterprises giving the greatest hope for the production of new wealth.

I would remind the minister that thousands of Canadians who paid income tax last year will not be contributors in 1955. I would remind him that the 10 per cent sales tax will bear more heavily than ever on those who are least able to pay. I would remind him that the income from that source will likely diminish. I would remind him that individuals and industry alike, so far as taxation is concerned, are now bearing all that the traffic will bear. I would remind him again that our customs and excise structure is out of date. I would remind him also that tariff for revenue is excessive, and is not serving its original purpose. I would remind him that any increase in taxation is out of the question, and that the burden on the municipalities of caring for the unemployed is absolutely wrong, because from these very same people this government has taken in income tax almost a third of their earned income. It has taken in sales tax 10 per cent of the cost of most purchases; it has taken customs and excise duties on imported goods; and on some goods manufactured in this country it has imposed a tariff giving greater protection than necessary to the industry. And there is not much hope, because election year is too far away, to expect any tax reductions. None of us has forgotten that the stamp tax on cheques was removed, and that only a few months later postage rates were increased. People will not forget those things.

There is one further way, although perhaps a small one, in which the minister could reduce expenses. I would suggest that he fire the man who is responsible for the caricature of the Queen on our dollar bills.

[Mr. White (Middlesex East).]

Most Canadians welcome assistance for the Colombo plan. The leader of the Social Credit party spoke about it tonight, and I listened to him with considerable interest. But I would remind the minister responsible for that department that Canadians are not pleased with the very limited purchases of Canadian technical and agricultural equipment, which limitation is greatly to the detriment of Canadian labour. Purchases are made in the United States, while Canadian labourers manufacturing farm machinery in Brantford, Toronto and Hamilton have been idle.

Canadians do not like that. They believe it is a good thing to assist in the Colombo plan, but they like to see the dollars spent in Canada, and I do not blame them. Let us spend as large a percentage as possible for the purchase of Canadian goods.

Then to the Prime Minister (Mr. St. Laurent) I wish to say a word or two about the window dressing in the province of Quebec. Between sessions there have been many items in the press regarding the difficulties of federal and provincial taxation. I believe all people in Canada watched with interest the progress of negotiations that were taking place. Though the Leader of the Opposition (Mr. Drew) during three or four sessions of parliament had pressed upon the government the need for a dominion-provincial conference to discuss taxation and other matters, this procedure was not deemed necessary by the government. But when the premier of Quebec and the Prime Minister of Canada got together they decided that was the right thing to do. Now Canadians are wondering about the silence on this subject in the speech from the throne.

Mr. Dufresne: Some members of the cabinet do not want any agreement with Quebec.

Mr. White (Middlesex East): I think the Prime Minister owes an explanation to the country regarding his talks with the premier of Quebec. For years Liberals have talked about the unholy alliance between Drew and Duplessis, but now they find themselves in the same boat. If ever there were two men who should be able to resolve the difficulty and come out of it with national unity, certainly they are the men; and we are looking to them for an explanation.

With all the problems facing Canadians at this time I am alarmed to think that probably within the next two or three days there will be interruptions in the debate on the speech from the throne drawing the attention of the people away from the pressing problems of the day and from the pressure on the government, and directing their thoughts along other lines. If there was such haste about

this the government could have called a session in the fall, as was suggested by my leader, and there would not have been this unseemly haste at this particular time.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, in rising in this, the second session of this parliament, to take part in the throne speech debate, perhaps I shall open up on a different basis from the previous speakers. It is not my intention to offer any congratulations whatsoever to the government on the throne speech. They are not entitled to any congratulations whatsoever. A great many words were taken up in the speech from the throne in telling the members of the House of Commons, in telling the members of the other place and in telling the people of Canada, what they already knew very well, of their own knowledge and through the medium of the press, of visits of royalty and certain honourable people to our country. Many words were used in telling us of legislation that was passed at the last session which we all knew about because we voted on it.

A very few words in the speech from the throne were devoted to telling us of the government's plans. Yes, they told us in a very few words of some legislation that we are going to have to deal with in the House of Commons: changes in unemployment insurance, in blind pensions, and in other matters. Most certainly, Mr. Speaker, we welcome the notification that this is going to be done. But, sir, it is not a matter for congratulation, although it is welcome, that at long last the government is going to do at this session what it should have done last session and sessions before that.

The major reason I cannot offer congratulations on the message we had at the opening of this session is that the speech from the throne will go down in Canada as notable for what it did not say, not what it said. Today Canada is facing a great many serious economic problems, and we cannot find anywhere what the intentions of this government are; we cannot find anyone to give any advice to the House of Commons as to how the government is going to tackle the major economic problems that are facing our Dominion of Canada; how they are going to tackle the serious agricultural problems of our nation; how, outside of public works, they are going to tackle the over-all problem of full employment in our country. No word has been given to us as to the meaning of the hush-hush meetings between the Prime Minister (Mr. St. Laurent) and the premier of Quebec on a financial agreement, instead of calling, as has been demanded all across Canada, a meeting of all the provinces and the federal government on dominion-provincial financial relations.

On none of these things do we find any word of advice or prognostication, if I can put it that way, as to the government's approach to and study of these fundamental matters in the economy and politics of this dominion. It is because that is how I feel that I can appreciate very fully what the government are doing. They know very well that it is impossible to sell Canada on the government's record of accomplishment, of understanding or of vision, and on this I want to congratulate the government.

I do not know who the government's public relations officer is; but whoever he is, he is worth whatever he is paid, because when a government cannot stand on its record, or on its proposals, at the opening of parliament, there is one good thing to do, namely hide everything by building up an individual. In that respect, I want to congratulate the government. They are doing an excellent job. It is almost impossible to pick up a paper without finding not a government proposal but stories on "Uncle Louie".

I have had the privilege in the past year or so of meeting the Prime Minister for a matter of about only 30 seconds, but I have seen him often across the floor of the house and I honestly admit that I like him very much; I think he is a nice chap. But being a nice chap and the man we like, and seeing him in the papers with family groups, kissing babies, picking up a crying child in the station, is no answer at all to the problems of the Dominion of Canada. The answer is not in building up a man whom we adore as "Uncle Louie". It is in the government, in the speech from the throne and on the floor of this legislature, tackling the problems of the Dominion of Canada through the medium of policies and legislation.

In the weeks and months that lie before us we shall have the opportunity of speaking on numerous occasions; therefore on this occasion I am going to speak on only two or three aspects of our economy which I think are of importance. Admittedly they may seem a little repetitious but, sir, if repetition is required to get action, then it will have to be repetition. There is, without doubt, an unemployment situation in Canada. There are, without doubt, a number of unemployed who have no protection under municipal, provincial or federal law. I spoke on this last session and I am going to speak on it again. It is my humble opinion that the federal government is derelict in its responsibility to many in Canada who are without means at the present time.

Not so long ago the Prime Minister received a request for assistance for employable unemployed. If press reports are correct he turned it back as a responsibility of the provincial government. We all know the history of militaristic Germany, as far as treaties were concerned; they were scraps of paper.

An hon. Member: Don't forget Russia.

Mr. Winch: All right; include Russia if you like. We know their position as far as treaties were concerned. They were scraps of paper to be torn up any time they desired to do so. Morally and ethically this and previous Liberal governments are no better whatsoever. Promises are meaningless words to be forgotten when it is expedient to do so.

In British Columbia we face the problem of unemployment. It is not just our own unemployment for, because of our mild climate on the coast, we are left with the problem of unemployment from all across the Dominion of Canada. I never hope to see again the situation we had not many years ago when because of unemployment across Canada and on the mainland of British Columbia a Liberal premier at Ottawa turned the police loose with tear gas and batons on the unemployed, and when a Liberal premier in British Columbia, under federal authority, turned the police loose. That was the occasion on which a Liberal mayor of Vancouver read the riot act to men and women able to work, desirous of work, but denied the opportunity and denied the sustenance of life.

That happened under Liberal governments, municipal, provincial, and federal. Now we have the same situation in Vancouver today and this government refuses to accept the responsibility. I wish that we who are well fed, especially on the other side of the house, would have to join the line-ups at the soup kitchens established in Vancouver by the Salvation Army, the United Church and the central city mission, all of which turn away more than they can feed, even with soup. Only three weeks ago I saw people sleeping underneath the viaducts in Vancouver. These people had nowhere to go and no one would accept the responsibility.

It may be repetitious but I wish now to come back, as I did last session, to the commitment given by the Liberal government in 1945. The record clearly demonstrates the extent of the commitment made at that time by the then prime minister, Mackenzie King, and also clearly demonstrates the understanding of that commitment by the premier and minister of finance of the province of British Columbia. In the published proposals of the government of Canada for 1945 at page 26 the government stated:

> In the inter-war years, particularly in the 1930's, the public investment expenditures of provincial and municipal governments were much larger than those of the dominion government. It is highly desirable that other governments agree to accept similar timing policies to those that the dominion proposes for its own program. The dominion proposes to give positive encouragement to provincial and municipal governments to follow these practices. Encouragement to prior planning will be offered by—

Then it deals with the method by which this will be offered. On the same page we find the following:

> In the timing of projects the dominion would concern itself only with employment considerations, leaving to the provincial and municipal governments the direction of their own investments, subject to the dominion having discretion to determine in any one year the total value of projects, if any, on which it would pay timing grants within any province. It would also of course authorize the grant for projects whose execution would extend over several years.

On page 42 we find the following:

> As a part of the general arrangement with the provincial governments, the dominion government now proposes to establish a practicable and comprehensive system of assistance to able-bodied unemployed persons as soon as possible, rather than waiting until the need for it actually arises.

Later it adds:

> The dominion is therefore accompanying its proposal for general acceptance of responsibility with a concrete plan for its implementation in the field of assistance for employable unemployed persons.

Now, what was the understanding of the provinces when they signed the taxation agreement? I can speak only for British Columbia. These are the official records of what was understood by the government of British Columbia as to the acceptance of responsibility for employable unemployed by the federal government, and that was the acceptance of responsibility for a 20 per cent grant on municipal and provincial public projects to be undertaken in time of unemployment.

I do not wish to quote at length, but here is a statement of government policy by the Hon. John Hart, a former premier of British Columbia, made on February 17, 1947, on the floor of the legislature. He stated:

> Coupled with the financial plan were certain social security proposals in which the dominion agreed among other things:—
>
> (1) To accept full financial and administrative responsibility for the relief of employable unemployed . . .
>
> In addition, the dominion outlined a public investment program designed to maintain high-level employment. Under this plan, the dominion government offered to share in the cost of planning acceptable provincial or municipal projects and to

pay a grant of 20 per cent of the actual cost of construction of these projects if they were executed at a time designated by the dominion.

That statement was by a Liberal premier who was at the conference. Now we have the statement of the Hon. Byron I. Johnson, another Liberal premier of British Columbia, who had this to say on government policy on March 5, 1948:

Only part of this program has been put into effect. That is to say, seven of the nine provinces have entered into tax agreements with the dominion, but are waiting for a completion of the arrangement which can only be considered final when the social security measures have been instituted.

Then we have the speech of the then minister of finance for British Columbia on March 17, 1948, when he stated:

In outlining the general situation to us the then premier commented on the original dominion proposals as presented to the dominion-provincial conference in August, 1945, which coupled with the financial plan certain social security proposals in which the dominion agreed, among other things:—

(1) To accept full financial responsibility for the relief of the employable unemployed.

And then—

(5) A public investment program in which they would pay a grant of 20 per cent of the actual cost of construction of certain projects if they were undertaken at a time to which the dominion concurred.

We signed again, but in 1950 we find the minister of finance had this to say at page 55 of his budget speech:

The negotiations with the federal government originated from certain proposals made by that government in 1945, when it offered to make itself responsible for a vast number of social services and other beneficial fiscal changes which finally were to become known as the "green book" proposals. It was assumed by the provinces who signed the existing tax agreements that the "green book" proposals would be implemented when a majority of the provinces signed the new agreement. I think I am quite right in saying that everybody thought that—

Then on the following page we find this:

When the tax agreement was entered into last year, assurances were given by Prime Minister Mackenzie King that these proposals would be implemented when a sufficient number of provinces had signed agreements. He did not say that all provinces had to agree; he simply stated a sufficient number. It is the contention of this government that the time has arrived when social security proposals should be discussed with the dominion government.

That is the record. I sincerely hope that the Prime Minister is not going to allow Canada, through its government, to reach a position where its word does not mean any more than a German treaty. Here is where the responsibility lies. British Columbia should not be held responsible for its employable unemployed and, in particular, for those who come in from other provinces.

I often heard quoted on the floor of this house in the past session the number of unemployed. But, Mr. Speaker, the number of unemployed is of no importance at all when it comes to the matter of sustenance. If I am hungry, it makes no difference whether there are ten thousand unemployed or one million unemployed. Surely after the New Year's message of the Prime Minister—"Uncle Louie"—about Canada, as the head of this government it is his responsibility to see to it that nobody in the Dominion of Canada shall be hungry if he is able and willing to work but cannot get it. Whether the number is one or a million, as long as somebody is hungry it is our responsibility as legislators to see that, municipally, provincially or federally there is a security program to look after them.

I do not want to say any more about that matter at the moment but I wish to carry on and to speak of one other phase which has already been mentioned by the hon. member for Victoria, B.C. (Mr. Fairey), namely the matter of highways and road construction. Through you, Mr. Speaker, may I say to the Prime Minister, to the Minister of Public Works (Mr. Winters) and to the cabinet that I find it difficult to understand why a progressive country like Canada is in one respect so far behind a country like the United States. If we can go by the *Globe and Mail* of this morning, the President of the United States announced that there was to be a ten-year plan under which the federal government was going to spend $101 billion on the modernization of highways in the United States; that already they admit a responsibility in the ratio of 60-40, federal and state, in respect of the financial costs of major roads; and that on the new plan to the extent of $24 billion they would accept the complete responsibility for highway construction or for major improvements. But in the preamble of their draft there is, I think, a significant statement which is as follows:

It is a key network from the standpoint of federal interest in productivity and civil defence.

I want to say that in our Canadian economy we have reached the time when the federal government should recognize its financial interest in the major roads of all provinces of the Dominion of Canada and in particular of the province of British Columbia, where we face a problem. Our province, north and south, is broken up by four mountain ranges. On the prairies I understand that the average cost is $40,000 a mile for first-class roads. But in British Columbia the cost is $240,000 a mile on the average, and we have even spent a million dollars a mile

on many of our roads. You cannot just build one highway in British Columbia and serve the province.

The federal government, through the medium of roads, reaps the major benefit in income and corporation taxes on new industrial development and in the development of new natural resources. As they can be opened up only by major highway construction, surely this government should lay down a policy of financial responsibility.

I read in the press in the past few weeks some criticism by the Minister of Public Works in Ottawa to the effect that the provinces, including British Columbia, were not meeting their obligations in connection with the trans-Canada highway. Of course we are not doing so in British Columbia. It is impossible to spend all the money on that one road. We must open up the other major highways in our province. If this government had any vision at all and recognized just what it means in federal revenue to have first-class major highways in the provinces they would be investing now and not just doing as they are, namely contributing only 50 per cent on one highway through each province.

It is my considered opinion that it would be one of the finest investments the federal government could make if they would accept the major responsibility for the cost of construction of all major highways in the provinces of Canada, and let the provinces and the municipalities have the responsibility for the roads connecting the major highways. I think that would give a great impetus toward the solution of our unemployment problem, and that it would give an impetus to our provincial and our municipal governments to tackle the problem in a more effective manner.

I see that it is now almost ten o'clock. My time has only three minutes to run. Although I had more to say I shall leave it until a later date, because it would be wrong if I adjourned the debate with only three minutes to go. However, I want to conclude by saying through you, Mr. Speaker, to the Prime Minister, and to the cabinet that they definitely made promises in 1945. We ask them to fulfil those promises. They can do a great deal more than the throne speech has stated. If they do not do so, the throne speech will go down as one of the most puerile things ever known in the history of the House of Commons.

On motion of Mr. Balcom the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: As the Prime Minister pointed out this afternoon, on the order paper there are 15 resolutions preceding money bills. I wonder if we could agree that tomorrow we might ask the Prime Minister to signify His Excellency's consent to all 15 resolutions rather than have 15 different ministers do so?

Mr. Knowles: Has he agreed?

Mr. Harris: The purpose of our understanding is that we shall deal with amendments to the Unemployment Insurance Act, taking the resolution and carrying it through to first reading of the bill. I should also like to announce that it has been agreed that we shall begin discussion of the protocol with respect to the North Atlantic treaty on Thursday, the 20th of January.

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

APPENDIX

PROTOCOL TO THE NORTH ATLANTIC TREATY ON THE ACCESSION OF THE FEDERAL REPUBLIC OF GERMANY, SIGNED AT PARIS, OCTOBER 23, 1954

The parties to the North Atlantic treaty signed at Washington on 4th April, 1949,

Being satisfied that the security of the north Atlantic area will be enhanced by the accession of the Federal Republic of Germany to that treaty, and

Having noted that the Federal Republic of Germany has by a declaration dated 3rd October, 1954, accepted the obligations set forth in article 2 of the charter of the United Nations and has undertaken upon its accession to the North Atlantic treaty to refrain from any action inconsistent with the strictly defensive character of that treaty, and

Having further noted that all member governments have associated themselves with the declaration also made on 3rd October, 1954, by the governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and the French Republic in connection with the aforesaid declaration of the Federal Republic of Germany,

Agree as follows:

Article I

Upon the entry into force of the present protocol, the government of the United States of America shall on behalf of all the parties communicate to the government of the Federal Republic of Germany an invitation to accede to the North Atlantic treaty. Thereafter the Federal Republic of Germany shall become a party to that treaty on the date when it deposits its instruments of accession with the government of the United States of America in accordance with article 10 of that treaty.

Article II

The present protocol shall enter into force, when (a) each of the parties to the North Atlantic treaty has notified to the government of the United States of America its acceptance thereof, (b) all instruments of ratification of the protocol modifying and completing the Brussels treaty have been deposited with the Belgian government, and (c) all instruments of ratification or approval of the convention on the presence of foreign forces in the Federal Republic of Germany have been deposited with the government of the Federal Republic of Germany. The government of the United States of America shall inform the other parties to the North Atlantic treaty of the date of the receipt of each notification of acceptance of the present protocol and of the date of the entry into force of the present protocol.

Article III

The present protocol, of which the English and French texts are equally authentic, shall be deposited in the archives of the government of the United States of America. Duly certified copies thereof shall be transmitted by that government to the governments of the other parties to the North Atlantic treaty.

In witness whereof, the undersigned representatives, duly authorized thereto by their respective governments, have signed the present protocol.

Signed at Paris, the twenty-third day of October, nineteen hundred and fifty-four.

For Belgium:
P. H. Spaak.

For Canada:
L. B. Pearson.

For Denmark:
H. C. Hansen.

For France:
P. Mendès-France.

For Greece:
S. Stephanopoulos.

For Iceland:
Kristinn Gudmundsson.

For Italy:
G. Martino.

For Luxembourg:
Jos Bech.

For The Netherlands:
J. W. Beyen.

For Norway:
Halvard Lange.

For Portugal:
Paulo Cunha.

For Turkey:
F. Köprülü.

For the United Kingdom of Great Britain and Northern Ireland:
Anthony Eden.

For the United States of America:
John Foster Dulles.

HOUSE OF COMMONS

Tuesday, January 11, 1955

The house met at 2.30 p.m.

PRAIRIE FARM REHABILITATION ACT

INCREASE IN AMOUNT THAT MAY BE EXPENDED ON MINISTERIAL AUTHORITY

Right Hon. J. G. Gardiner (Minister of Agriculture) moved for leave to introduce Bill No. 5, to amend the Prairie Farm Rehabilitation Act.

Mr. Knowles: Explain.

Mr. Gardiner: The purpose of the amendment is to make the act consistent with existing ministerial authority to enter into contracts for sums up to $15,000 as contained in the Financial Administration Act and regulations.

Motion agreed to and bill read the first time.

YUKON ACT

AMENDMENTS RESPECTING LIVING ALLOWANCE AND ATTENDANCE OF COUNCIL MEMBERS

Right Hon. L. S. St. Laurent (for the Minister of Northern Affairs and National Resources) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Yukon Act to increase the indemnity and the living allowance to be paid to members of the Yukon council while in attendance at a session of the council and to provide that under certain conditions a member shall be deemed to be in attendance at a session.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

NORTHWEST TERRITORIES ACT

INCREASE IN INDEMNITY OF COUNCIL MEMBERS

Right Hon. L. S. St. Laurent (for the Minister of Northern Affairs and National Resources) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Northwest Territories Act to increase the sessional indemnity of elected members of the Northwest Territories council.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

RAILWAY ACT

INCREASE IN ANNUAL APPROPRIATION TO GRADE CROSSING FUND

Right Hon. L. S. St. Laurent (for the Minister of Transport) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Railway Act following the "Report on the Railway-Highway Crossing Problem in Canada", made by the Board of Transport Commissioners for Canada to provide for an increase in the annual appropriation to the railway grade crossing fund from $1,000,000 to $5,000,000 and for certain changes in connection with the administration of the fund.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

FINANCIAL ADMINISTRATION ACT

AMENDMENT RESPECTING SALARY OF AUDITOR GENERAL

Right Hon. L. S. St. Laurent (for the Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Financial Administration Act to provide that the Auditor General shall out of the consolidated revenue fund be paid a salary of twenty thousand dollars per annum with effect from July 1, 1954.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

DEFENCE PRODUCTION ACT

AMENDMENTS RESPECTING SALARY OF MINISTER AND EXPIRY OF ACT

Right Hon. L. S. St. Laurent (Prime Minister) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Defence Production Act to increase the

salary of the Minister of Defence Production from ten thousand dollars per annum to fifteen thousand and to repeal section 41 which provided for the expiry of the act on July 31, 1956.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

PUBLIC SERVICE SUPERANNUATION ACT

EXTENSION OF BENEFITS AND CHANGES IN ADMINISTRATION

Right Hon. L. S. St. Laurent (for the Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Public Service Superannuation Act to extend the benefits and the application of the act, and to provide further for certain changes in consequence thereof and also in connection with the administration of the act.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

GOVERNMENT EMPLOYEES COMPENSATION ACT

EXTENSION OF BENEFITS AND CHANGES IN ADMINISTRATION

Right Hon. L. S. St. Laurent (for the Minister of Labour) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Government Employees Compensation Act to extend the benefits of the act to certain persons in the service of Her Majesty who are not paid a direct wage or salary and to persons locally engaged outside of Canada; to provide for additional benefits where an employee dies as the result of an accident while absent on duty from his usual place of employment; and to provide further for certain changes in connection with the administration of the act.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

CANADIAN FORCES ACT

AMENDMENTS TO NATIONAL DEFENCE ACT AND DEFENCE SERVICES PENSION ACT

Right Hon. L. S. St. Laurent (for the Minister of National Defence) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure respecting the Canadian forces to amend the National Defence Act to provide for the reinstatement under certain circumstances of a member of the Canadian forces who has been released, to place members of the Canadian forces in the same position as civilians in respect of judicial process, and to make certain other amendments to the act; also to amend the Defence Services Pension Act with respect to the payment to women of pensions or gratuities under certain circumstances, to extend the provisions relating to the augmentation of pension on re-enrolment, to extend the time within which an election may be made to count prior service, and to make certain other amendments to the act.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

HISTORIC SITES AND MONUMENTS ACT

AMENDMENTS RESPECTING DEFINITIONS, TRAVELLING EXPENSES, ETC.

Right Hon. L. S. St. Laurent (for the Minister of Northern Affairs and National Resources) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to bring in a measure to amend the Historic Sites and Monuments Act to amplify the definition of "historic place", to change slightly the representation of the board, and to provide further for changes in the method and amount of payments to members appointed by the governor in council, of living and travelling expenses and to provide for the payment of stenographic allowances.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

CANADA GRAIN ACT

AMENDMENTS RESPECTING GRADES, ASSISTANT COMMISSIONERS AND SALARIES

Right Hon. L. S. St. Laurent (for the Minister of Trade and Commerce) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure respecting the Canada Grain Act to amend the statutory grades of western grain and eastern grain with respect to the grade No. 3 amber durum wheat and all grades of soybeans as recommended by the committee on western and eastern grain standards; to provide for the appointment of four in lieu of three assistant grain commissioners and to increase the annual salaries of the chief and other two commissioners from fourteen and twelve thousand dollars to fifteen and thirteen thousand five hundred dollars respectively.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

RADIO ACT

AMENDMENTS RESPECTING RADIO ANTENNAE AND ADMINISTRATIVE CHANGES

Right Hon. L. S. St. Laurent (for the Minister of Transport) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Radio Act to control the mechanical features of radio antennae for safety purposes and to provide for the appointment of inspectors in relation thereto; and to provide further for certain changes in connection with the administration of the act.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

NEW WESTMINSTER HARBOUR COMMISSIONERS

MEASURE AUTHORIZING LOANS OF $200,000 BY MINISTER OF FINANCE

Right Hon. L. S. St. Laurent (for the Minister of Transport) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a bill respecting the New Westminster harbour commissioners to authorize the Minister of Finance to make total loans of $200,000 to the corporation for the purposes mentioned in the said bill.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

GREAT LAKES FISHERIES

MEASURE TO IMPLEMENT CONVENTION BETWEEN CANADA AND UNITED STATES SIGNED SEPTEMBER 10, 1954

Right Hon. L. S. St. Laurent (for the Minister of Fisheries) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to implement the convention on great lakes fisheries between Canada and the United States, signed at Washington on the 10th of September, 1954, and to provide that the governor in council may make regulations for carrying out and giving effect to the provisions of the convention and anything done by the great lakes fisheries commission to be established thereunder.

Proposed Legislation

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

AMENDMENTS RESPECTING PAYMENT OF INTEREST AND COLLECTIONS

Right Hon. L. S. St. Laurent (for the Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Members of Parliament Retiring Allowances Act to provide that a withdrawal allowance payable under the act will include certain of the interest that has been paid on contributions and to provide further that where a member or a former member dies certain of the amounts which he may owe under the act will not be recovered.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

BUSINESS OF THE HOUSE

ORDER IN WHICH ITEMS OF BUSINESS TO BE CONSIDERED

Mr. Speaker: By agreement announced last night by the acting leader of the house, it was agreed that today we would take up the first resolution in the name of the Minister of Labour in committee of the whole. Is it agreed that I do now leave the chair for the house to resolve itself into committee of the whole?

Mr. Fulton: Could we have orders of the day?

Mr. Harris: We might consider it as a government order and postpone it until orders of the day have been called.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

TRANS-CANADA AIR LINES

REFERENCE TO REPORTS OF NEAR ACCIDENTS

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I should like to ask the Minister of Transport whether he has received the report or has had his attention drawn to reports to the effect that pilots of T.C.A. have reported a large number of near accidents of a nature similar to that which was reported at Moose Jaw recently.

If so, has the hon. gentleman anything he would care to add to the statement he made yesterday?

Hon. George C. Marler (Minister of Transport): I may say that we have received none of the complaints to which the hon. member has alluded. If complaints are made by responsible individuals, we shall be glad to investigate them.

ARTS, LETTERS AND SCIENCES

INQUIRY AS TO SETTING UP OF CANADA COUNCIL

On the orders of the day:

Mr. R. R. Knight (Saskatoon): I should like to address to the Prime Minister a question of which I think he will not require notice. Has the government decided upon the setting up of the Canada Council as envisaged by the Massey report? If so, what progress has been made in that direction?

Right Hon. L. S. St. Laurent (Prime Minister): The government has not yet decided the question referred to by my hon. friend.

WATER POLLUTION

NORTH SASKATCHEWAN RIVER—CONFERENCES BETWEEN DOMINION AND PROVINCIAL GOVERNMENTS

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I wish to direct a question to the Minister of Justice. In view of the fact that the pollution of the North Saskatchewan river is again at full height, is the minister in a position to advise what happened during the conferences between the dominion government and the provincial governments of Alberta, Saskatchewan and Manitoba and also whether the people living on the North Saskatchewan river can expect any legislation at this session to make it an offence to cause wrongful pollution of interprovincial streams?

Hon. Stuart S. Garson (Minister of Justice): With regard to the first part of my hon. friend's question the answer is yes. With regard to the second part, no decision has been reached as regards such legislation at this session.

LABOUR CONDITIONS

RIGHT OF RAILWAY WORKERS TO STRIKE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Minister of Labour. Has the minister been made aware of the concern felt by the railway workers of Canada over the loss of their right to strike? Is the government taking steps either to assure these workers that they still have that right or to establish a satisfactory alternative?

Hon. Milton F. Gregg (Minister of Labour): This question, I think, divides itself into two parts. In the first place the Minister of Labour has been made aware of the concern which would be felt by the non-operating unions of the railways in the event they were deprived of the right to strike. In the second place I am sure my hon. friend has noted that the general conference committee of the non-operating unions of the railways have been meeting in Montreal recently and are discussing questions directly related to the second part of his question. In due course the Minister of Labour would expect to be told about the conclusions reached at these discussions and I do not think that in the meantime the Minister of Labour should anticipate these reports.

WATER RESOURCES

REPORTED CONSTRUCTION OF DAM ON ARROW LAKES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the Minister of Northern Affairs and National Resources. Has any minister of the government of British Columbia informed the minister, or any minister of the government of Canada, of the details of the proposed agreement between the government of British Columbia and the Kaiser Aluminum and Chemical Corporation for the construction of a dam on the Arrow lakes?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): I wish to thank the hon. member for having given me notice of his question. As far as I am concerned, the answer is in the negative. As for my colleagues, I have inquired and as far as I can ascertain the answer is also in the negative.

Mr. Herridge: Can the minister tell the house if the Canadian section of the international joint commission has received any information as to the details of this proposed agreement?

Mr. Lesage: According to my information the chairman of the Canadian section of the international joint commission, General McNaughton, received a telegram dated September 17, 1954, from Mr. Sommers, minister

of lands and forests of British Columbia. It was sent in the afternoon and reads as follows:

Government of British Columbia proposes to enter into agreement with Kaiser Aluminum and Chemical Corporation allowing said company to erect dam on lower Arrow lakes to store 3 million acre feet of water. Payment for same to be 20 per cent of power generated on American side delivered free to British Columbia.

According to my information, General McNaughton answered this telegram on the morning of the 18th and suggested that no action be taken before the British Columbia government receives a copy of the report of new topographical studies of the Columbia system which were being made. The very same day Mr. Sommers answered General McNaughton by telegram telling him that British Columbia and Kaiser had already executed the agreement. I think that was the wording.

GRAIN

FINAL PAYMENT ON 1953-54 WHEAT POOL

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Trade and Commerce. Can the minister say whether, as a method of helping to relieve the critical cash shortage amongst western farmers, the final payment on the 1953-54 wheat pool will be made at an early date?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Final settlement will be made when the wheat from that crop is sold. I cannot give the date of the final sale of that crop but I assure the hon. member that no time will be lost when the sale of the crop is completed.

RATES ON MOVEMENTS THROUGH VANCOUVER AND OTHER PORTS

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): Yesterday the hon. member for Vancouver-Burrard (Mr. MacDougall) asked me to make a statement about the pricing of wheat as between various Canadian ports and I am now prepared to do so. On February 16, 1954, the wheat board announced a new pricing policy which involved quoting separate prices daily for wheat in store Pacific coast ports, in store Fort William-Port Arthur and in store Churchill. At that time the board described its new policy as follows:

As a measure to establish more equality in wheat shipments from various parts of the prairie provinces, the board, for such period of time as may be necessary, is adopting a policy of making board wheat generally competitive in overseas markets irrespective of the port of shipment. Pursuant to this objective the board will take into account not only internal costs of moving wheat to seaboard positions but also the various ocean freight rates involved and such variations in the foregoing costs as may occur from time to time.

Pursuant to the new policy, on February 16, 1954, the price of wheat in store Fort William-Port Arthur was lowered by 7 cents per bushel under the price for wheat in store Vancouver. It was obviously not the intention of the wheat board at that time to establish a fixed differential between Fort William-Port Arthur and Vancouver. The purposes of the revised pricing system would have been absolutely defeated by such a policy. Actually the price relationship between board selling prices for wheat in store Fort William-Port Arthur and in store Vancouver has materially changed since February 16, 1954. Fort William-Port Arthur prices have been increased and Vancouver prices have been decreased, the result being that at the present time the in store Fort William price is only one cent a bushel below the in store Vancouver price on grades 1 to 4 northern and is identical with Vancouver on No. 5 wheat, No. 6 wheat and feed wheat.

In my opinion the board has been carrying out the policy enunciated last February of endeavouring to keep Canadian wheat generally competitive in overseas markets irrespective of the port of shipment. Daily price comparisons are made. The last comparison I have is for January 6. On that date No. 1 northern in store Fort William was $1.72 and in store Vancouver $1.74, a two cent spread as of that day. However, based on the cost of ocean freight that day the price of No. 1 northern shipped from Vancouver and landed in the United Kingdom would be $2.21 a bushel whereas the same grain shipped from eastern ports would be $2.22⅜ a bushel. On that particular day there was obviously a price advantage out of Vancouver. This does not necessarily mean that all purchasers would buy their wheat from Vancouver because there are other problems such as time of delivery and ability to find vessels willing to make the long voyage from Vancouver to the United Kingdom with wheat when just now higher revenues can be earned on shorter hauls. In order to keep rail freights on grain to a minimum it is necessary to keep all Canadian ports reasonably competitive in our principal European markets. Obviously, for shipments to Japan or South Africa or South America, Vancouver has a natural advantage that eastern ports cannot touch.

Let us look at the figures. During the current crop year from August 1 to December 29, of all Canadian wheat shipped to overseas destinations 33·6 per cent was shipped from

Vancouver-New Westminster, ·7 per cent from other Pacific ports, 12·7 per cent from Churchill, 49·4 per cent from St. Lawrence ports and 3·6 per cent from Atlantic ports. It must be remembered that during the next few months the Vancouver and Atlantic percentages will rise since St. Lawrence navigation is now closed until late April. Obviously, too, the Churchill percentage of 12·7 will go down steadily since there can be no further shipments from that port until navigation opens there again late next July.

These figures follow the normal pattern of distribution between Canadian ports. For the crop year 1952-53, 32·6 per cent of the movement was from the west coast and 51 per cent from St. Lawrence ports. The three crop years prior to 1952-53 show much the same comparison. The crop year 1953-54 was abnormal because it took a good part of the crop year to clear up the aftermath of the long Vancouver strike of grain handlers which had occurred the previous spring, and because Vancouver prices were temporarily out of line with eastern seaboard prices on account of abnormally low ocean freight rates.

The wheat board is charged with the duty of marketing all prairie wheat to best advantage for the producer. Obviously all prairie wheat cannot be moved to advantage through either a western port or an eastern port. Internal freight charges can quickly offset any advantages gained by lower selling prices at any one port. The purpose of the board must be at all times to see that returns to the producer for prairie grain are the maximum obtainable.

My own opinion is that the Canadian wheat board is succeeding very well in keeping prices competitive between our ocean ports. Proof of this is the percentage of the business which is presently moving from our various ports.

[*Later:*]

Mr. G. C. Nowlan (Digby-Annapolis-Kings): May I ask the Minister of Trade and Commerce a supplementary question on the statement he read? I was wondering if his reference to eastern Canadian ports included the Atlantic ports or merely the great lakes ports. Could he, at some later date, make available the comparative figures for Halifax and Saint John which he gave earlier in his statement for Vancouver?

Mr. Howe (Port Arthur): The only Atlantic ports, for the period I mentioned, are the ports of Halifax and Saint John. I think if the hon. member will read my answer in *Hansard* he will find the comparison I gave for January 6 is the comparison for which he is asking.

Mr. Nowlan: The minister referred to eastern Canadian ports at one time and Atlantic ports at another, and I was not sure what the differentiation was.

GOVERNMENT CONTRACTS

INCOME TAX APPEAL BOARD—REFERENCE TO ENTERTAINMENT OF GOVERNMENT OFFICIALS

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Prime Minister if a recent decision of the income tax appeal board has been brought to his attention concerning expenditures in improving a certain residence that is reported to be used to entertain certain government officials during contract negotiations? Has the Prime Minister a statement to make on this subject? Can he tell us what steps have been taken by the government to investigate the use made of such a place in relation to this purpose? If no investigation has yet been made, does the Prime Minister not think it a proper matter for inquiry by a committee of this house?

Right Hon. L. S. St. Laurent (Prime Minister): This morning I did see a report of a decision rendered by the income tax appeal board which very much surprised me in the statements that it contained. I have never heard any suggestion that it was considered to be necessary by anyone to have a residence to entertain government officials.

The report I saw seemed to indicate that this was the parent company of a concern that tendered for construction work for both government and private enterprises, and that this parent company had asked to have deducted from its income expenditures made on a place said to have been used for the purpose of entertaining prospective clients. I believe that the hon. gentleman is quite within the bounds of propriety in suggesting there should be some inquiry made as to how this came about. I gathered from the report it was something that went back to 1950 or 1951, but I think it is something that should be looked into.

I shall endeavour to have it looked into, first of all by ascertaining just what was disclosed before this income tax appeal board, and whether or not that would indicate that any officials of this government were being entertained in that way.

STORMS

INQUIRY AS TO REPORTS OF DAMAGE IN NEWFOUNDLAND

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to address a question to the Minister of Transport. Has the minister a report to make on the severe storm damage to harbour installations, fishing vessels, etc., in Newfoundland last night, and will the government promise emergency assistance to get the harbours back into full operation as quickly as possible?

Hon. George C. Marler (Minister of Transport): I thank the hon. member for having given me notice of his question. I have no report to make on the subject of storm damage in Newfoundland because the Department of Transport, up to now, has received no notification of damage to aids to navigation in St. John's harbour or any other part of that province. The hon. member, I am sure, will appreciate that I can answer only for the facilities that come under the jurisdiction of my department.

SUPERANNUATED CIVIL SERVANTS

INQUIRY AS TO INCREASE IN PENSIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance? Has the minister, since he took over his new and important portfolio, received representations asking for increases in the pensions of superannuated civil servants, particularly for those whose pensions are in the lower and middle brackets? Has the minister given consideration to these representations?

Hon. W. E. Harris (Minister of Finance): The answer is, yes, I did receive a few representations. When I heard my hon. friend was going to ask the question today I read some of his remarks, not all, on the subject and felt I could not add very much to what the minister of finance at that time said in answer to the hon. member—that was on March 2, 1954.

Mr. Knowles: Then the new minister is no better than the other one was.

BRITISH COMMONWEALTH

INQUIRY AS TO AGENDA FOR CONFERENCE OF PRIME MINISTERS

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Prime Minister if he is able to say anything further as to the precise agenda to come before the conference of commonwealth prime ministers at London at the end of the month?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker, I am not.

PUBLIC SERVICE

RESIGNATION OF DR. L. B. THOMSON AS DIRECTOR OF P.F.R.A.

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Is the Prime Minister in a position to give an answer now regarding the resignation of Mr. Thomson and also whether a civil servant appointed under an order in council is in a different position from one appointed under the civil service commission in so far as his rights are concerned?

Right Hon. L. S. St. Laurent (Prime Minister): No; I have not yet obtained all the information I am seeking to obtain.

UNEMPLOYMENT INSURANCE ACT

AMENDMENTS INCREASING SUPPLEMENTARY BENEFITS

Hon. Milton F. Gregg (Minister of Labour) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Unemployment Insurance Act to raise the rates of supplementary benefit to the present rates of regular benefit and to provide a minimum of sixty days' supplementary benefit to those who qualify.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

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

Mr. Gregg: I am grateful to the members on all sides of the house, Mr. Chairman, for giving the right of way to this resolution today. The resolution itself, as it appears on the order paper, is practically self-explanatory so I am going to be quite brief. The purpose of it, of course, is to help to mitigate some of the hardships caused by winter unemployment. If we are to judge by last year's experience, this revision of the supplementary benefits will help a good deal.

Back in the early winter of 1950 my colleague, the Minister of National Health and Welfare (Mr. Martin), then temporarily acting as minister of labour, introduced for the first time these supplementary benefits, which came into effect in the late part of

that winter. At that time the amount of supplementary benefits was approximately 80 per cent of the regular benefits. Then, in the early part of the year 1952, I introduced to the house a number of general amendments to the act, and included in those amendments were some increases to the regular benefits. At that time I did not recommend any increase in the supplementary benefits because we had had such a very short period of experience with the supplementary benefits, namely only the winter of 1950-51. Since 1952 the supplementary benefits have averaged approximately 70 per cent of the main benefits. Under this resolution it is proposed to increase that to 100 per cent.

The other object of the resolution is to raise the minimum supplementary period to 60 days. That is of course within the limits of the general period of January 1 to April 15. At the present time the minimum would be somewhere about 18 days. The general period under this recommendation will remain the same, namely from January 1 to April 15.

The reason for asking that this small bill be introduced early is so that these new benefits may take effect right away, or as soon as the bill receives royal assent, to be dated from the Monday of the week in which royal assent is given. Then later on—and not too much later—I intend to bring in amendments with wider implications to the Unemployment Insurance Act. When they come forward these amendments will absorb automatically the ones I am proposing today. So there will be the advantage, if it is desired at that time, of having further discussion with respect to all these things which I am now proposing shall take effect immediately.

I am sure hon. members will feel the wider amendment that will come later should receive very careful study both in the House of Commons and in the standing committee on industrial relations. This I shall suggest.

Since these supplementary benefits were established in 1950 they have been very helpful indeed in our winter period of unemployment; and I am confident that with this improvement they will be very much more so during the remainder of this present winter.

Mrs. Fairclough: Mr. Chairman, before I embark upon the comments I wish to make concerning this resolution I think it might be of interest to the house to know that today, January 11, is the 140th anniversary of the birthday of that great Canadian statesman, Sir John A. Macdonald—a statesman, I might add, who took a lead in recognizing the rights of workers of this nation. It is most appropriate that improvements in labour legislation should be introduced on this date. No doubt the Minister of Labour had that in mind when doing so.

Mr. Chairman, the raising of the rates of supplementary benefits to those of regular benefits will remove the disparity which has existed heretofore. In the original instance the rates may have been calculated on the same percentage basis, but with the changes which have taken place, and to which the minister has referred, the percentage of benefits paid has now varied to the extent that they range all the way from 67·5 per cent to 81·25 per cent of the regular benefits, depending upon the classification into which one happens to fall.

As will be seen from the report for the year ending March 31, 1954, supplementary benefits form a very small part of the total benefits paid, and the increase from approximately 80 per cent to 100 per cent of the benefit rates will not affect the fund substantially.

We on this side of the house have asked on several occasions for an increase in these benefits. Two years ago last July, when the regular benefits were raised, several members, not only in this but in other parties, asked that the supplementary benefits should be raised accordingly. Of course that was not done. It is interesting to note however that the reason given at that time and subsequently for not raising the supplementary benefits was that the beneficiary who received the benefits should be the same as the person making the contribution. I believe at one stage in the debate I remarked on what a ridiculous argument that was.

Today I have taken the trouble to make some calculations. I am sure hon. members will recall that when the supplementary benefits were introduced contributions were increased by one cent per day for the employee, and a similar amount by the employer, making a total increase of two cents per contribution. I find from available statistics that as of October 1, 1954, there were 3,219,000 persons insured; and on the basis of 300 contributions per year at this rate of one cent from the employee and one from the employer we arrive at the total amount of $19,314,000 paid into the fund to defray the expenses of supplementary benefits. Last year, when the heaviest strain developed on the fund for the purposes of supplementary benefits, according to the report which just came to hand yesterday the total amount paid out was $12,234,281. So the fund has been benefiting by more than 50 per cent in excess of the payments made to workers by way of supplementary benefits.

If any further proof were needed as to the justification for our claim, I am sure it could be found in the further figures or calculations which could be made to a more exact figure in connection with the sums received and the sums expended.

The minister has said that there will be further amendments to the Unemployment Insurance Act. These were indicated in the speech from the throne. He has said that the bill will be introduced shortly, and will be discussed in the house at an early date. As a matter of fact the newspapers are already making what might be termed informed guesses as to the contents of that measure. But I should like to remark that if the House of Commons had been called to meet last autumn, as the leader of this party asked, amendments to the Unemployment Insurance Act could have been incorporated in one bill, brought down at one time and considered carefully weeks in advance of the time when the supplementary benefits would become effective. In this way the house would have had a better picture of the over-all effect of any amendments to the act. As it is, even the minister admits that if and when further amendments to the act come down we may wish to change the bill which will be placed before the house in the course of a couple of days. It seems to me that this is ample evidence that the Hon. George Drew was right in the first place when he indicated that there were certain things which should have been discussed in the autumn of last year, rather than waiting to throw them into debate in the first days of a session after the beginning of the year—and then on the ground that they are of such urgency that they must be dealt with immediately.

Certainly, they are urgent; certainly, they should be dealt with immediately. They should have been dealt with last October or November. Certain it is that welcome though increases may be, Mr. Chairman, they do not solve the distress among the unemployed persons of this nation.

I was interested in the remarks of the Prime Minister yesterday when he admitted there is some unemployment in Canada. He said, at page 33 of *Hansard*:

> There is some unemployment in Canada. There has been some unemployment in Canada every year. At the opening of every session of the Canadian parliament for the last three or four years there has been considerable anxiety over the kind and extent of unemployment in Canada.

That is true, Mr. Chairman, because unemployment has been increasing every year for the last four or five years. The Prime Minister then goes on to say:

> That situation has eased as the season advanced, and there is reason to expect that it will do so again.

I might remark, Mr. Chairman, that there is reason also to expect that we shall have serious unemployment again this year before the season advances far enough to ease the situation. I hope that in presenting his bill the minister will have more to offer to this house than the bland assurance that if we can sit the thing out everybody will eventually get a job.

I noticed in the last report, which has come jointly from the Department of Labour and the dominion bureau of statistics, that the increase in unemployment as at November 18 last, the period for which figures are available, was, in the province of Ontario, 23 per cent over the year before. In the city of Hamilton, my own city, which is an industrial centre, it was 26 per cent higher. It is true that if you take the nation as a whole the increase in unemployment over the year before was 11 per cent. If my memory serves me well we got dangerously close to the 600,000 mark last year. Therefore, even if it is 11 per cent more, taking the average over the nation as a whole, it is an extremely serious situation. I am sure that despite supplementary benefits or any other stopgap that may be brought in by the government, it must look like a long bleak winter to those without jobs, and this little sop of 25 per cent increase, while welcomed, will not supply what the workers want most, namely, jobs; nor will it solve the problem of those who are unemployed and do not receive benefits, those who have been in uninsurable employment, those who have insufficient contributions, those who have taken ill and were forced to leave jobs on that account, and other classifications. I might say, last and by no means least, it will not solve the problem of the municipalities who have for far too long now borne the weight of welfare costs for those who are classed as employables.

I speak for my colleagues in this house when I say we welcome any legislation which is going to ease this situation, no matter how slightly. We shall be interested to see this bill when it is available for distribution and we hope that it will have some effect in alleviation of distress of our workers. We still say the government has not gone nearly far enough in trying to supply what the workers want most, namely, not unemployment relief but jobs.

Mr. MacInnis: Mr. Chairman, there is not much one can say in regard to this bill, as it is not before us. We do not know just what is involved in it, but from the information we have we must welcome the measure. But, as the last speaker said, it will fail even to relieve, to any considerable extent, the situation with which we are now confronted.

I have attended meetings called by labour organizations in my own city, and this is one of the things that I find. Today we have people who have been unemployed for over a year. Once you have in this country two or three hundred thousand workers unemployed you are bound to have some of the workers unemployed for long periods. You are not going to have one lot of workers unemployed for a few months this winter and another different lot unemployed next winter. Seasonal workers are seasonal workers for years. They do nothing else but seasonal work. I am not saying that all the unemployment we have had during the last year and more is seasonal unemployment. In my own province there is considerable seasonal unemployment. But until last fall and winter we were taking that seasonal unemployment pretty well in our stride because the workers had sufficient to carry them over from one season to the next. Where they did not have that, the unemployment insurance helped. But we should remember that unemployment insurance is not a cure for unemployment.

I was in the house when the Unemployment Insurance Act was passed in 1940 and it was clearly understood that its purpose was to carry a person from the time he left one job until he got another one. Because of that, the weekly insurance payments provided were very small. You cannot expect anyone with a family in this time of high prices even to attempt to live on the amount provided by unemployment insurance, even at the higher levels of today.

While we welcome this—it is needed and it will help in some cases—if it is all that the government has to offer for unemployment then the people of this country—I attended a meeting where a man was unemployed for 15 months—have very little to look forward to.

I understand that the province of British Columbia offered to go 50-50 with the federal government in providing for unemployed workers in that province and that offer was turned down. The result is that the city of Vancouver and the other municipalities and the province of British Columbia are providing on a 20-80 basis to people who are resident and have been resident in the various municipalities. But unfortunately, in my province, and particularly in the coast section of the province, we get every winter a large number of people who come to the province because of a somewhat better climate and who add to the unemployed. It seems to me that when the federal government amended the British North America Act in 1940 to enable it to enact unemployment insurance it assumed responsibility for all unemployment.

It appears now as if the government is running away from that position; it is not meeting its responsibilities. I suggest to them that we should not today, after so many years of prosperity, prosperity for which the government took credit—I shall have something more to say about that at a later time—accept that as a reason why more should not be done to relieve the unemployment situation than seems to be proposed in this measure.

Mr. Johnston (Bow River): Mr. Chairman, I should like to say a few words on this subject. I think we all agree that the government should have brought down legislation such as this long ago, but nevertheless I think we are all agreed that it will be welcome to the workingmen to have some form of relief coming through. The other day I was reading a brief which had been presented to the government in November by the Trades and Labour Congress of Canada. In referring to this particular subject they mention the very things which the government is now bringing forward in this amendment. They say:

> That supplementary benefits be increased and the period in which they are payable be extended.

Then the next submission along this line was:

> That supplementary benefits be paid to those who have exhausted their regular benefits, and in the prairie region this to continue until May 1.

I am not sure whether that had any bearing on the government's decision to amend this legislation at this time, but certainly that was foremost in the thoughts of the trade union people when they presented their briefs to the government. It has been said here, and rightly so, that members of all parties in this house, even some members on the government side, have brought this matter to the attention of the government on other occasions. We recognize that while this measure is going to be of assistance to people who are going to receive these benefits it will not be a cure-all by any means.

I do not think a year has passed, particularly during the last three or four years, during which the attention of the government has not been brought most strongly to this particular matter. It has been pointed out to the government that the unemployment problem was a continually increasing one and that unless we took some definite action in regard to the policies which are being put forth to solve this problem it would continue to get worse. That is what has happened.

I think the government has been most reluctant to admit that there has been any substantial increase in unemployment. However, they have had to recognize this on this occasion and now they have brought in this amendment.

I remember that last session the Minister of Labour went to great lengths to disprove the statements made by some of the labour unions in this country as to the extent of unemployment. He questioned the figures which they had used and gave his own particular figures in an effort to point out that the unemployment problem was not as serious as some of us were trying to indicate. Certainly this is an admission on the government's part that the unemployment problem is becoming serious. Believe me it is becoming serious for that portion of our population which is affected.

As I said a moment ago, this increase in the supplementary benefits will be some improvement but it will help only those who are qualified to receive regular benefits. As the last speaker pointed out, there are a great many people in this country who are seasonally unemployed and who have exhausted their unemployment relief payments. It is true that there is going to be a minimum period of 60 days during which they can receive supplementary benefits and this is something new in this type of legislation. While this 60-day provision will be of assistance it certainly will not take care of the problem of feeding the families of the unemployed after that period has expired.

This will be only a palliative. It will not be a solution to the problem. The Canadian Congress of Labour recognized that quite fully in November when they made their presentation to the government with regard to unemployment. They stated in their brief:

> What we ought to do is put money into the hands of people who will buy what we can already make and can't sell.

It seems to me that in that instance labour hit the nail on the head.

An hon. Member: They usually do.

Mr. Johnston (Bow River): Yes, they usually do, but unfortunately the government never seems to give too much consideration to the worth-while suggestions which are made to them.

Mr. Knowles: Even when they are hit on the head.

Mr. Johnston (Bow River): This is one of the real needs to be considered. Our problem should be not merely to amend the legislation to get these people over a difficult period; the policy of this country should be changed in such a way as to eliminate unemployment if possible, or, if not to eliminate it, to reduce it most substantially.

When the Canadian Congress of Labour suggests that we should put money into the hands of those who need it so that they can buy the goods that we are producing but cannot sell they are in fact suggesting the very thing that Social Credit members have suggested and contended for some years past. If we would supply our people with the required purchasing power to buy those goods which we are now making and cannot sell—let me emphasize that—if we then would go further and provide employment by additional public works, if we would increase the purchasing power of the people by a reduction in taxation, then we would be doing something to help these people to help themselves.

No one in this country wants to receive unemployment insurance: there is nobody in this country who wants to receive supplementary benefits unless it is absolutely necessary. They would far rather have an opportunity to earn a livelihood. That is what the Canadian Congress of Labour meant when they said that what we should be doing is to put purchasing power in the hands of these people so that they could buy the goods that we make but cannot sell.

We have only to look around us to see that we are producing goods that cannot be sold. It is true that something better than 8 million is going to be spent in the form of these special benefits in addition to what has been spent already. That will be of some assistance, but when that has been spent we will be right back to where we were before. I think the government should come to the conclusion that this is not just a seasonal occurrence, that conditions point very clearly to the fact that it is a much bigger problem. Just before I came down to this house I was reading the Calgary *Herald* of Monday, December 20, 1954, and this is what they had to say:

> U.S. production next year should run two to five per cent ahead of 1954 but nevertheless joblessness may increase, the U.S. chamber of commerce forecast Saturday.

And again:

> But Dr. Schmidt told reporters the production gains in prospect would be insufficient to prevent some increase in unemployment next year due to population gains and rising output per worker.

It is clear that because of the industry of the worker himself and because of our efficient way of producing goods, we are doing exactly as the Canadian Congress of Labour said: we are producing goods that we cannot sell. That is the problem we must solve in this country. We must make it

possible for working people and others as well to get sufficient purchasing power, by some means or other, so that they are able to buy the goods we are making now but cannot sell and thus increase employment and do away with the necessity for these so-called supplementary payments.

We agree that under the circumstances there is every reason to pass this bill with haste so that these people may enjoy the further supplementary payments, particularly those who have already exhausted their regular unemployment insurance payments, because they must be in a terrible position. But we say also that this should be a reminder to everyone, and particularly to the supporters of the government, that the time has come—and through this legislation the government recognizes it—when we must provide policies which are going to create jobs and thus increase purchasing power for the people who need it, and that will solve our problem. We would hope then that there would not be the necessity on another occasion for these so-called supplementary benefits. We support this legislation and we shall be glad to see the amendments which the government intends to bring down to the Unemployment Insurance Act which will still further assist the workers of this country.

Mr. McIvor: Mr. Speaker, I agree with the hon. member for Vancouver-Kingsway that, as we have not this bill before us, we cannot discuss it as well as we might. I do not think we should enter into a general discussion on unemployment insurance. That is something that will come on later. Neither should we discuss the big question of unemployment now. We should send this bill to the committee on industrial relations at once. The committee then will discuss it thoroughly. Then when it comes back to us we can speak intelligently.

(*Translation*):

Mr. Dufresne: Mr. Speaker, we have noted with real gratification the unanimous approval which greeted the proposal made to us yesterday evening with a view to suspending the debate on the address today in order to discuss the matter now before the house. This satisfaction is not only felt here, by the members of this honourable house, but is certainly shared by the working people of this country. It must after all be admitted that for many years now our people have been subjected to what I might call the canker of seasonal or regional unemployment. Things had reached such a point that in the fall of each year and throughout a long winter stretching well into spring, thousands upon thousands of people were left without employment, of which several thousand again were even deprived of those unemployment insurance benefits to which they had nevertheless contributed, not having worked long enough during the summer to earn a right to them.

Members from this side of the house, as well as representatives of every labour union in this country, have asked that the government set this matter right. But the government have never deigned to listen to these representations. A while ago we were shown figures which, in this very house, were said to be exaggerated. And yet these figures are provided by the government themselves since now, as always, the only ones used are those that come from official sources. Now the unemployment figures given by the government are taken from the reports made to them by the various unemployment insurance offices and include only those people receiving benefits, whereas, in most cases, in the different parts of this country, we know that thousands more are not in a position to enjoy these benefits.

In the constituency which I have the honour to represent, and which is essentially a working class district, we have a certain type of worker known as a labourer. For a number of years, these labourers have been unable to find the work necessary to enable them to support themselves and their families except in the case of a few during the summer. It means then that, at the moment of leaving their work, these people suddenly find themselves in the most pressing need, not having earned enough money to accumulate some savings.

I remember that last year, in this very house, I put a question to the hon. Minister of Labour (Mr. Gregg). I asked him if it would not be possible to do something immediately for the 22,000 people who were then jobless in the Quebec area. It was suggested that the figures I had quoted were highly exaggerated. However, it appears that the following week statistics showed the number of jobless to be smaller by a few hundred only, and these statistics were not for the whole Quebec district but for the cities of Quebec and Levis only.

Mr. Speaker, labour unions all over the country have been stirred more than once by the constant rise of unemployment, which is no longer seasonal or regional but has become in most instances permanent unemployment. It is permanent undoubtedly because of poor administration on the part of the government now in power. However, I am happy to note that, following numerous protests and representations, the government finally decided to bring some help to those who, at the present time, are most in need.

I wish to point out, however, that this measure is not in the nature of a permanent cure for the canker I spoke of a while ago. It is a mere poultice applied over a gaping wound, a poultice that will not heal the sore but will merely lighten the pain.

What our workers want, what they are asking and have never ceased to ask the government to do is to give them work. I know that the people I have the honour of representing have inherited if not material wealth, at least the will to work and the love for work of their forbears. They want to have the satisfaction of earning their daily bread by the sweat of their brows, as stated in the Scriptures.

Mr. Chairman, I believe that the resolution now before the house will be of some help to people in need. However, I deem it my duty to say that the people of Canada and more particularly the workers of the constituency of Quebec West have not and never had the intention of begging anything from the government. What they are clamouring for is work because they want to keep up their reputation as work-loving people. In other words, what they want is sufficient work to enable them to provide for their families and meet their obligations.

Mr. Chairman, judging from what has been said in the speech from the throne, it seems that the government intends to spend more to help the unemployed and give them work.

I hope, Mr. Chairman, that the projects undertaken will not consist in repair or construction work given to contractors here and there, which can be undertaken by these contractors with the workers already on their payrolls. What we need is an extensive public works program which would provide employment for hundreds and thousands of workers. That is the only way of putting an end to the increasing wave of unemployment which is the cause of so much grief and sorrow in Canadian homes.

As far as the city of Quebec is concerned, Mr. Chairman, I have already had the opportunity on several occasions of asking the house to undertake the projects I deemed necessary to the welfare of our people. I intend to repeat my requests from time to time. For the present, I shall content myself with asking that the unemployment benefits mentioned in the motion now before the house be extended at least until May 1.

I mentioned a moment ago a group of workers known as day labourers. You undoubtedly know that in areas where winter lingers on it is not always possible to undertake any extensive work before spring. This happens very often where large numbers of workers, more particularly day labourers, cannot start working before the sunny days of spring. I therefore suggest that the proposed date, April 15, be extended to May 1, as a much greater number of people would benefit from the measure.

Another reason why we must press for work, jobs and employment for our people is that there is a constant influx of immigrants into this country. If we are now unable to give work to those who are commonly known as the native sons of Canada, why should we seek abroad other employees, when we cannot feed those who are already here. Perhaps, this government would, therefore, be well advised in taking the necessary steps to ensure that Canadians be supplied with the food and the clothing they need, and that our workers enjoy at home a certain measure of prosperity.

Mr. Chairman, those are the few comments I wanted to make on the proposed resolution. Needless to say that I am supporting the principle of the resolution and the bill, and that I intend in due course to ask the government to increase the benefits. However, I wish to repeat that we cannot cure a canker by simply applying a poultice, and the extension of unemployment insurance benefits is a mere poultice applied to the present situation.

Let us give jobs, and, I repeat it once more, the work-loving people of my constituency will see to it that this love of work is handed down to future generations.

(*Text*):

Mr. Knowles: Mr. Chairman, as my colleague, the hon. member for Vancouver-Kingsway, has already pointed out, we welcome this little bill but we cannot get very excited about it. It does seem to us

to be very typical of the way in which the present government approaches serious problems when our people are in need. The fact of the matter is, as I understand it, that no person who does not already qualify for regular benefits and supplementary benefits as well will qualify as a result of this measure. All the measure will do is to increase the amount of the supplementary benefits in the case of those who are already qualified for it and extend the period during which they can receive that benefit. In the light of the unemployment problem facing us at the present time we feel that this is a picayune answer. We welcome the measure but we hope that before the session goes very far something far more effective as an answer to the unemployment problem will be presented to parliament by the government across the way.

There is one assurance of perhaps a technical nature which I hope the Minister of Labour will be able to give us before the debate at this stage closes. He may recall, although he was not minister of labour at the time but was rather minister of veterans affairs, that when the bill establishing supplementary benefits in the Unemployment Insurance Act was introduced in 1950 it too was brought in in the very early days of the session and put through parliament in somewhat of a hurry. We understood before the bill was brought in that all it was to contain was simply the provision for supplementary benefits, but when we got the bill, without very much notice, we found that it had a lot of other items in it as well. Some of them were good and some of them we did not like. I refer, for example, to the provision making a difference in the case of married women which was tucked into that bill at that time. I hope the minister can assure us that so far as the bill to be based on this resolution is concerned there is nothing tucked into it apart from what is referred to specifically in the resolution.

I should like to say just one other word because, as all members realize, there will be an opportunity to discuss unemployment insurance generally later in the session and other opportunities to discuss unemployment itself. However, the word I should like to say at this time is this. Last session we learned that at the request of the national advisory council on manpower a study was being made by the national employment committee of the question of seasonal unemployment in Canada. Some of us liked the statements made by the Minister of Labour at that time to the effect that Canada should not accept the difficulty of seasonal unemployment as a permanent one. His approach, as I understood it, was that we should try to keep away from the permanence of seasonal unemployment, and I for one dared to hope that when that report was made it would indicate that something was being done to alter the situation.

It is a very attractive report. I received it first in mimeographed form and later in a printed booklet. But as one goes through it it is not very encouraging. Really all it is is an analysis of the situation as it is. When one finds in a dozen places throughout the booklet the heading "remedies" he hopes that he will find some recommendations that may be acted upon. But such is not the case. These so-called remedies are simply reports from the various industries concerned as to what they are doing, successfully or otherwise, to try to minimize seasonal unemployment. I suggest that so far as this report is concerned it is merely an analysis of the picture as it exists. It does not represent that concerted attack on the problem of seasonal unemployment which I felt the minister was anxious to make. I raise that matter at this time because it seems to me it is closely related to this question of supplementary unemployment insurance benefits which, after all, are for a period of seasonal unemployment. I hope the minister will pursue that important question with real vigour.

Mr. Hahn: I am somewhat concerned over the anxiety of the government, Mr. Chairman, that we should hurry this resolution through because I feel the government should have thought of that last fall and probably should have brought us into session at that time. This would have given us ample opportunity to discuss these problems fully as they merit. This model government has once again shown its hindsight is much better than its foresight.

As I see it there are two parts to the resolution. The first part mentions the raising of the rates of supplementary benefits to the present rates of regular benefits and the second part mentions providing a minimum of 60 days' supplementary benefits to those who qualify. Both of these objectives are commendable, and they are both needed at present. However, they are both worth more careful consideration. They are both right and will, therefore, meet with the approval of every member in this house.

However, I believe we should keep in mind that this is an insurance measure, and not a handout. The recipients of these insurance

benefits are not so anxious to receive the benefits as they are to have a job. I am pleased that the government has recognized that it costs the unemployed as much to live after their insurance benefits run out as it did before their regular insurance benefits ran out. Certainly I would say these people require 100 per cent of the benefit and not just 70 per cent. I would, therefore, be ready to agree to the second part of the resolution. These men, however, probably find that their financial resources are completely depleted by this time, and therefore they require much more help. Possibly it might be desirable to increase their benefits so that they would have something worth living for.

The purpose of unemployment insurance, as I understand it, is to tide people over that short period between jobs when they are unemployed. The second half of the resolution is proof that the government now recognizes this problem is no longer a transitional one. There is no longer that short period when a man gives up a job to seek another. Today he finds himself in the awkward position of having no work. He cannot find a job. He has given up his former position, so he soon uses up his unemployment insurance benefits. This resolution is a recognition by the government that the problem is no longer a transitional one, nor is it a seasonal one. We have the continually growing problem of unemployment.

The need for assistance is not so much a need of financial assistance on a long-term basis as it is a need for the establishment of jobs. I wish, therefore, to heartily endorse what the hon. member for Bow River suggested when he said that these people require work. Now, morally and physically it is an obligation of this government to make jobs available by the adoption of an economic system based on a common-sense approach. We have the men, we have the materials and we have the means of transporting those men and materials. We have the money available. However, for some reason or other unknown to me we do not seem to be able to bring these groups together.

I would suggest to the government that they give consideration to an amendment to the Unemployment Insurance Act whereby it would be possible to utilize, let us say, $100 million of the fund to set up a revolving self-liquidating fund to be used only at times when such conditions as we find today are present. I would say that the purpose of setting up such a fund would be to make money immediately available to get the men, materials and transportation together to create jobs for these individuals. That is what they want. The creation of these jobs would take goods off the shelf, about which we hear our distressed merchants speaking so frequently.

These jobs might be created by building projects that the government had not seen fit to put in its estimates. In that respect, if the Minister of National Defence were here I would propose an armoury for the city of New Westminster. Such a project might well put a good number of men to work. One could think of the erection of hospitals, schools and other public utilities such as sewage and water plants for the smaller municipalities. These are the things that need to be done in this country. We have the money, we have the material and we have the men, but this government has not the ability to put them together. Therefore, while I am heartily in agreement with this particular resolution at this time I would urge the minister to consider introducing further legislation to set up such a fund with that purpose in mind.

Mr. Hees: This measure is aimed at helping winter unemployment and seasonal unemployment; but as has been said by a number of speakers this afternoon, a great deal of the unemployment in Canada today is not of a seasonal nature. It is becoming permanent or semi-permanent in some areas. What I am interested in finding out from the minister, and I hope he will tell us when he introduces his bill on Thursday, is what the government expects people to do when their unemployment insurance credits expire before they are eligible for these extra benefits.

Now, as has been pointed out, these people have to eat, they have to feed their families and clothe themselves and their families, pay rent and so on. I want to know from the government what they expect the people to do, whose credits have expired early in the season, or because they have not contributed sufficiently long to become eligible for these supplementary benefits. This summer I found some communities where unemployment is certainly not seasonal. The first one I am going to mention is well known to the minister because it is in his own province. I know he has visited the community, and I know he is concerned about it, but being concerned and doing something about it are two different things. To be quite honest, I think the minister would like to do a great deal more than has been possible so far. I believe he has a genuine feeling of sympathy for the people concerned.

I am speaking of the people who live in Marysville, New Brunswick, where the whole community depends on one large textile mill.

As all of you know, I am sure, having read about it in the newspapers, a year ago in December this mill closed down. I visited that town this summer and talked to a lot of the residents. Frankly, these people are bewildered. It just breaks your heart to talk to them. They do not know what to do or what the future holds. It is all very well for the Minister of Trade and Commerce to tell the farm implement machinery workers, as he did about a year ago, "If you have not got a job, just pick up and go somewhere else." But you cannot do that. If you are a family man with six or seven children, with your house in a certain community, and the only trade you know is the one at which you have always worked, then you simply cannot just pick up and move. The people I spoke to in Marysville at that time—and I suppose it is even worse now—were in a bewildered and distraught state.

I would be interested some time to learn what the government has done and what effort it has made—I hope it has made some, and that it will reach a successful conclusion —to attract other industries to take over that mill and get that community on its feet again.

I also visited the community of New Glasgow in Nova Scotia and went down the Drummond mine, which is a very large coal mine in that province. The mine was due to close down permanently in October, so far as they could see. I was there in the latter part of July. It is hard to understand the feelings of those people unless one talks to them, because they just do not know what they are going to do. They are bewildered. They look at a future which, for them, does not exist. They are familiar only with the mining of coal, and they do not know where else to go to mine it. They know that unemployment insurance benefits are going to run out. This is the kind of future Canadians should not be asked to face. The people in these communities are good people. They want to work. They want nothing more than to work and to earn their own living so as to keep their heads above water. But, through no fault of their own, they are denied this, and to my mind it is a disastrous and worrying situation.

Surely someone must face up to responsibilities in cases like this, where unemployment is not seasonal. Quite demonstrably it is unseasonal; indeed, perhaps it is permanent. Certainly it is semi-permanent. I should like to quote briefly what was said by the late Right Hon. W. L. Mackenzie King with respect to this whole matter, when he was speaking before the dominion-provincial conference in 1951:

> The transfer to the federal government of the whole cost of relief for the employable unemployed and their dependents is the logical outcome of the experience of the past. It would prevent a repetition of the confusion, the inefficiency, the waste, the delay and the inequalities that have admittedly prevailed in relief since 1930.

When we see families who cannot get work, but who must go on living, families composed of good Canadians—good human beings—then I say somebody must take the responsibility for them. The municipalities simply cannot do it. They do not have the sources of revenue. Because we all know that year after year the annual conference of mayors and reeves makes it clear to the federal government that they simply cannot look after the people who are unemployed in their communities and who, through no fault of their own, are unable to find work.

I believe the opinion expressed by the late Right Hon. W. L. Mackenzie King is accepted on almost all occasions by this government as being the gospel truth. On this particular occasion, however, it seems strange that the government ignores completely what their late leader advised them to do, and said should be done without any equivocation. The government has disregarded that advice.

The opinion expressed by the late Mr. Mackenzie King is also that expressed by other authorities who have examined the matter. I have in mind particularly the Sirois report, the Marsh report, and the findings of the dominion-provincial conference of 1945—all of which come to exactly the same conclusion on this question of looking after the needs of people who want to work but who, through no fault of their own, are not permitted to do so. All agree that this is the responsibility of the federal government. That has been the opinion of all who have made a study of this matter.

Despite this evidence however the government seems to persist—well, it does not "seem"; it persists—simply to duck its responsibilities in this matter, so far as the citizens of Canada are concerned.

I hope that when the minister deals with his bill later on he will explain some of these things to us, because we want to hear about them. The Canadian people want to hear. We want to know the attitude of the government toward these people. Let us remember that they are good Canadians, good citizens, human beings. They have the same needs as you and I: they need clothing; they need food; they need shelter. They have families. They are good people. They simply must not be cast adrift and be expected in some way or another to get along in some miraculous fashion.

As others have said, we welcome this measure as a partial move toward relieving

distress caused by winter unemployment. But this measure does not go nearly far enough, because there are many people it does not help at all. And those people are worthy and deserving of help. I hope the minister will consider this matter seriously, and when on Thursday he speaks on his main measure, I hope he will give the house some indication of the government's attitude in this whole matter.

Mr. Barnett: Mr. Chairman, I hope before the discussion of this resolution is concluded the minister will give some statement as to what consideration has been given, if any, to the matter of the extension of the period of duration of supplementary benefits. It seems to me there are at least three main aspects to be considered when the matter of supplementary benefits is under review. One of these is the amount of benefits to be paid; another is the period under which those benefits will be available to persons qualifying; and the third is the duration of time during which the possibility of receiving those benefits will be in effect.

Only two of these matters is mentioned in the resolution before us. I for one feel that the other consideration is one of major importance as well. I would have hoped that when this measure was introduced at least some consideration would have been given to an extension of the duration of time in which supplementary benefits would be in effect.

To illustrate my point I shall mention briefly one important class of workers in British Columbia, namely the loggers. These workers are often subject to what one might describe as a dual period of seasonality in respect of their employment. In some years loggers in British Columbia are subject to long periods of lay-off during the summer because of dry weather and the possibility of fires; and in such times they exhaust their rights to regular benefits under the act. Then, if it so happens that early in the year winter conditions develop, in many cases they find themselves unemployed prior to the Christmas period and prior to the end of the year, and thus ineligible to collect regular benefits. Undoubtedly it would be greatly beneficial to that group of workers if the period of supplementary benefits were advanced so as to commence at least as early as the middle of December.

On the other hand, reference was made by one hon. member to a suggestion in one of the labour organization briefs to the effect that in certain parts of Canada there was need for an extension of that period at least to May 1.

I believe we must recognize that there are regional climatic differences in Canada, and that in so far as unemployment is due to climatic conditions, and in so far as the application of supplementary benefits can be designed to cope with those conditions, the act should be designed so as to cover these periods of seasonality in unemployment resulting from climatic conditions. I can see no obstacle to an extension of benefits which would be related to regional climatic conditions. If it is desirable to extend the period in the prairie region so that it would apply to May 1, this might not be necessary in British Columbia or in the coastal area where, perhaps, the period of benefits might commence on December 15 and go through to the present termination date of April 15.

I would hope that the minister would indicate that such an extension is to be included in the bill that he proposes to introduce, following this resolution. I would hope that he would give us some explanation as to what consideration has been given to this important aspect of the application of supplementary benefits.

Mr. Pearkes: I will delay the passing of this resolution by no more than a minute but I should like to ask the minister whether consideration has been given to extending these benefits so that fishermen, and men who are connected with the fishing industry but who are not perhaps actual fishermen, may receive coverage. As the minister knows, there are certain companies which are engaged in the fishing industry and which employ a large number of men who are not actual fishermen in that they are not employed in the catching of fish but they are connected with the lifting of fish from various fish traps which are established legally in the strait of Juan de Fuca. I refer particularly to men who are employed in such companies as the Sooke Harbour Fishing and Packing Company as pile drivers, and men who are employed in the repair of the leads which guide the fish into their traps. These men are not fishermen in the ordinary sense of the word. They do not go out in boats to catch fish. They are employed in the fishing industry but they are very definitely tradesmen of another classification.

As I say, there are men who act as pile drivers. These men, working alongside the pile driver hired from another company that is covered, find that they are not covered by this insurance. Has further consideration been given to extending the coverage to this class of employees?

Mr. Starr: I fully realize that at this stage of the resolution to increase supplementary benefits a full-dress debate is not acceptable,

and I do not intend to debate this matter fully. But as I read the resolution a doubt arises in my mind that I would convey to the Minister of Labour to see whether it can be clarified. There is no doubt that this is only a portion of the many submissions that were made in respect to the Unemployment Insurance Act by the Trades and Labour Congress, the Canadian Congress of Labour and hon. members during the last session of parliament, urging the government to make some changes in the Unemployment Insurance Act in order to make more benefits available to the working people of this country. An increase in supplementary benefits was only one of these, and it is certainly most welcome. It is our hope that the amendments to the Unemployment Insurance Act will bring some benefit when they are introduced in the house.

There is also no question of the urgency of this matter. That is borne out by the fact that the government has broken into the debate on the speech from the throne in order to introduce this resolution and the amendment itself, which leads me to believe that because of the urgency of the matter it should have been brought in at the last session of parliament so that the people who are sorely in need of assistance at this time would have received it by now.

The resolution and its contents are most acceptable. As I read the resolution, I find it suggests that the supplementary benefits be increased to the present rates of regular benefits. The present rates are as outlined in the act. Over the last number of years we have been urging this government to close up the gap between the supplementary benefits and the regular benefits, so that there would be no variation, since a person out of work certainly needs as much money in supplementary benefits as he would receive in regular benefits.

The doubt in my mind at the present time has to do with amendments to the Unemployment Insurance Act. When they are brought in will they include certain changes in the regular benefits? If so, after this resolution is passed and the supplementary benefits are raised to the present rate of the regular benefits, will there again be that variation between the increased regular benefits and the supplementary benefits as amended? If so, I do not think that the discrepancy should exist. The supplementary benefits should be again brought up to whatever increase is made in the regular benefits.

The period of time from January 1 to April 15 has proven to be of short duration. It is not sufficient to take care of the people out of work during that period of time. As an example, we in Oshawa found last year that when the rolls showed a decrease in the number of registered unemployed of something like 600 or 700 they were the people who on April 15 were cut off supplementary benefits, but work was still not available. Contracting work was not in progress and construction had not started. Therefore, those people were left stranded without any financial assistance whatever from April 15 to some time toward the end of May. I strongly urge that the Minister of Labour consider the extension of time for supplementary benefits beyond April 15; my suggestion would be to May 15.

Mr. Cameron (Nanaimo): Mr. Chairman, I was quite interested to hear the comments of the previous speakers on this particular measure. Like, I suppose, every other hon. member in this house, I welcome this very belated action on the part of the government, but I welcome it, Mr. Chairman, in the same spirit in which I receive gratefully an aspirin when I have a headache, being under no illusions whatsoever that it is going to cure the cause of the headache.

I must say I got a certain sardonic entertainment out of listening to the exponents of free enterprise standing on their feet here demanding that the government depart from the true milk of the word, of the religion of free enterprise. When I heard the hon. member for Broadview quoting the late Right Hon. William Lyon Mackenzie King I thought it was a very risky thing for him to do because of course somebody could get up and quote the late Lord Bennett on the same problem of unemployment.

I think, sir, we shall have to recognize that we are now entering a period of history when these problems are going to continue and are going to become more and more acute, and we are going to have to do something else than merely provide bigger and better aspirins for the headaches that are going to afflict our economy in the future. It is like most of the measures of this very old Dickensian government; it is a Micawber-like measure. It is going to extend the benefits of unemployment insurance in the hope that something will turn up before the new extensions are exhausted. But no one suggests what is likely to turn up; no one suggests that anything should turn up; no one suggests that we have any reason to believe that this condition will improve by itself.

Like the hon. member for Broadview, I should like also to quote a departed Canadian statesman, another Liberal statesman, who

expressed a view that, like the late Hon. Norman Rogers, there is no cure for this problem except socialism.

Mr. Gregg: Mr. Chairman, I think the committee would want me to refer —

The Chairman: Perhaps the hon. member for Macleod might be allowed to proceed.

Mr. Hansell: I was going to ask a question. Perhaps the minister will answer it when he replies. I might say that I was perhaps fortunate—that may not be the right word to use—in being on the committee of this house which was responsible for the Unemployment Insurance Act when it first became law in 1940. That was some years ago and I can recall the meetings of the committee and the investigations which were carried out. Particular attention was paid to the actuarial soundness of the unemployment insurance fund. We had departmental as well as other actuaries who were purposely employed to study the matter.

The actuaries considered that the fund would be actuarially sound. The committee finished its work and I can recall the then minister of labour calling us together—we actually had our pictures taken—and saying that the bill would go down in the history of Canada. At that time it was hailed as a great advancement in legislation of this country.

As I say, a measure of full employment was realized and it continued over the war years. Naturally the fund became pretty healthy as it was a case of all the money coming in and not a great deal going out. But perhaps the picture is beginning to change. I should like to ask a question which the minister can answer now or when the bill comes down. I think we should know the exact state of the fund and what it has been over the years. Those figures must be somewhere. What was the income? What were the expenditures?

The government has decided that the present period of unemployment must be cared for in some fashion. The government must assume a measure of responsibility for the economic condition of the country. If there is a period of unemployment there must be some reason for it. There must be some background or some cause. I think we can conclude that the financial policy of the government is the reason. Financial policies govern the destinies of a nation, at least industrially.

A period of unemployment is now upon us. Previous speakers have said already that the solution of the problem is not to be found in the payment of unemployment insurance but in the establishment of full employment. That full employment depends on industry, and whether industry is continuing to function as it should. If it is not, then I claim it is because the government is pursuing wrong financial policies.

I rose not only to ask some questions but to indicate that this is not really something that the government is doing for anybody. The government has taken great pride in bringing in a measure concerning unemployment insurance, which measure has helped the worker when he has not been employed. But what it actually amounts to is nothing more or less than giving back to the worker that which in large measure belongs to him. He has been contributing to the fund for a good many years along with industry which employs him. But that part of the cost is not paid by industry in the final analysis; it is absorbed and paid for in higher prices to the consumer. That must be recognized.

When the worker pays into the fund he has not as much money to spend on his own livelihood. It is the consumer plus the worker who is paying for unemployment insurance. All the government is doing is to appraise the situation and decide how much he should have of his own money and when he can have it. That is really what is happening.

That is all I want to say. Once more I reiterate that this does not solve the unemployment problem. It will not be solved until the government pursues proper financial policies.

Mr. Gregg: Mr. Chairman, this afternoon I shall confine my remarks to those words which have been directed toward this resolution rather than those which have been directed toward the unemployment situation generally. The hon. member for Hamilton West stated that this bill should have been brought in earlier at a fall session as part of the larger bill. Regardless of the merits of calling a fall session, I can assure her that if this particular little bill had been brought in in November as part of a larger one which I propose to bring in very soon I am doubtful whether or not its advantages could have been made to accrue to workers this winter.

The hon. member referred to the amount of supplementary benefits that would be paid out this winter.

As she correctly stated, in the last year the amount was approximately $12 million. The best actuarial estimate that we can get on this would indicate that if the number of workers drawing supplementary benefits this

winter should be about the same as last winter then the total amount paid out this winter in supplementary benefits will be in the vicinity of $22 million, or an additional $10 million over last winter.

The hon. member for New Westminster referred to this as being charity. I protest that it is not charity at all. As two other speakers have pointed out since, this plan was devised as an insurance plan just like fire or automobile insurance. The good risks pay for the poor risks. The benefits accruing to the insured are legitimate benefits and in no sense are they charity or handouts.

The hon. member for Quebec West referred to the official figures on unemployed workers as being those in receipt of benefits. I am sure he has made an error there. The official figures quoted by the bureau of statistics and the Department of Labour do not refer to total numbers in receipt of benefits.

The hon. member for Winnipeg North Centre has asked for assurance that there is nothing in the bill except the two items mentioned in the resolution. I can assure him that in the bill which will be distributed shortly there is nothing of any substance that is not indicated in the resolution. There will be minor things such as the date of proclamation and the probable dropping of a spent clause, but there is nothing of any substance in the bill except these two matters.

Mr. Knowles: No jokers?

Mr. Harris: There never is in anything the government does.

Mr. Knowles: Oh, oh.

Mr. Gregg: He also referred to the fact that he would like to have more information regarding what I had discussed last year on seasonal unemployment. I will grant that it is related to this bill in that it is hoped that it might work for greater stability amongst wage earners during the winter months. I can assure him that, following that report, in my opinion very good progress—even though it may be considered as modest—has been made. I am planning to bring in that report at an earlier period during another debate rather than during this one.

The hon. member for Comox-Alberni suggested the extension of the duration of the whole period. That matter was mentioned also by the hon. member for Ontario. It is difficult to make it apply to every region. I think there must be standardization. I should like to point out that this question was given the most exhaustive study, but it is not incorporated in this legislation. The matter of the soundness of the fund, of course, enters into it. At any rate, for the purpose of this bill we are sticking to the period from January 1 to April 15.

The hon. member for Esquimalt-Saanich suggested the point which he brings up from time to time with regard to fishermen and near-fishermen. While the general revision or planning has been under way, I can assure him that study of the matter affecting fishermen proper has been continuing with good hope that some results might accrue from it. I think I know what he means by near-fishermen; and that is something that is being studied as a side issue by the commission.

As to the hon. member for Macleod, I should like to congratulate him as one of the pioneers, who was here when this extremely useful act came into being. It has served and is serving a useful purpose. I should like to reassure him, as far as we can do so, that the fund is, in our opinion, still actuarially sound. It is our intention to keep it so. The figures he wants are readily available. I did not think that for this bill it might be necessary to put them on record. If other hon. members would like to have them, when the bill comes up for second reading or in committee after second reading I shall be glad to present them. In any case, the figures up to the end of the fiscal year 1954 are available and also the interim figures since then.

There is just one other point I wish to mention. It is something which I forgot to include in my first remarks. This bill has been submitted to the unemployment insurance advisory committee which is provided for under the act, and has been approved by them. Very shortly, of course, the larger bill will also be submitted to them.

Resolution reported, read the second time and concurred in.

Mr. Gregg thereupon moved for leave to introduce Bill No. 6, to amend the Unemployment Insurance Act.

Motion agreed to and bill read the first time.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, January 10, consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Rowe, and the amendment to the amendment of Mr. Coldwell.

Mr. S. R. Balcom (Halifax): Mr. Speaker, I feel highly honoured in following so closely the Prime Minister (Mr. St. Laurent), the

Acting Leader of the Opposition (Mr. Rowe) and the leaders of the other parties. I should like to join them in congratulating the mover and seconder of the address in reply to the speech from the throne. I am sure the people at home must feel extremely proud of these two members.

I enter this debate because I consider that, representing as I do a large constituency and one of the two dual ridings in Canada, I should bring to the attention of hon. members the general situation as it now exists in Halifax.

Mr. Speaker, for those who want to see, there is in the speech from the throne much good material and advanced legislation. I should like to commend the proposed changes in the Unemployment Insurance Act. They will be widely acclaimed. The supplementary benefit program under which unemployment insurance is payable on easier terms in the winter months goes a long way to mitigate the effects of seasonal unemployment. This program is a desirable supplement to the ordinary unemployment insurance because of the nature of our climate and industrial development.

In Nova Scotia our primary industries, which are unavoidably subject to the weather and the seasons, are extremely important to our economy. It is unfair that the workers in such industries should bear the whole burden of the seasonal drop in employment. It is also unfair to expect the municipalities in which these industries are concentrated to pay unemployment assistance on a large scale. The federal government's contributions to the supplementary benefit fund are a most welcome "assist" to the municipalities in their welfare policies.

The government is to be congratulated for the leadership given in the efforts to lessen seasonal unemployment where this is possible. Needless to say, it is far better for people to have the opportunity to work than to have the opportunity to draw unemployment assistance; it is far better for the worker and it is less costly to the country. While the direct effect of government policy may not cover a large group of workers, it is a forward step and may well encourage action by industry on a wider scale.

Some reduction in winter unemployment is hoped for as a result of this campaign. This will benefit Nova Scotia and the other Atlantic provinces, but where the primary industries predominate there are limitations that cannot be removed by planning. The real answer lies in a greater diversification of industry; more manufacturing, which is not affected by the seasons. This is an oft-stated objective and its achievement calls for an attack on basic factors such as problems of transportation, tariffs, marketing, and power, to name a few of the more important ones.

In this connection I should like to refer to an item which appeared in our local press last December. It was, to be sure, a rather disturbing item to Nova Scotians. The headline was "No Bank Aid to Province", referring to the province of Nova Scotia. On further perusal one learned that only two provinces, namely Nova Scotia and Prince Edward Island, did not receive any financial assistance from the industrial development bank in the year ended September 30, 1954; and that the loans made to concerns in New Brunswick and Newfoundland were negligible in total. Of the money loaned in the fiscal year just past, close to 70 per cent went to enterprises in Ontario and Quebec.

Let me hasten to say that this is not a criticism of the industrial development bank as such. What concerns me is the fact that industry in Nova Scotia and in the Atlantic provinces generally has not called upon the credit facilities of the bank for development purposes. It suggests that the development which the government hoped to encourage through this additional source of credit may not be taking place in the areas where it is most needed.

The annual report referred to marked the first decade of the bank's operations. The industrial development bank was set up in the first place because the government recognized that smaller industrial firms had difficulty in obtaining money on a medium or long-term basis to finance plant and equipment they needed either to commence or expand operations. After ten years of operation the success of the bank has been acclaimed. In expressing his views on its work Mr. Graham Towers, then governor of the Bank of Canada, used these words:

> . . . and if you believe, as I do, that the successful evolution of new enterprises is the very backbone of sound economic growth, you will understand my satisfaction over the experience of the industrial development bank.

If the use of these loan facilities is a barometer of sound growth, where do we in the Atlantic provinces fit into the picture? Concern over the situation revealed by this and other signs has prompted the formation of the Atlantic provinces economic council. This, as some of you know, is a council initiated, organized and financed by private enterprise, business and industry, to promote the economic well-being of the Atlantic

region. I mention it here because it reinforces a conviction which has been growing in my mind for some time, a conviction that the federal government might have an agency whose primary and principal interest would be the regional problems of the Atlantic provinces. Spokesmen for other areas where a similar need may exist can present their own cases much better than I.

Four years ago, during my first session in the house, I tabled a question concerning the St. Lawrence seaway and its probable economic effects, with particular reference to the industries of the maritimes. The information or answers were not available at that time, and I understood why they could not be supplied. Doubtless it is much easier to give information on a definite engineering project than on the economic aspects of such an undertaking. Perhaps even 25 years from now conclusive answers on some of its results will still be lacking, but that does not say we should not be looking for them now and doing it with all the talent and energy we can muster. An informed policy can then be developed and corrective action taken before it is too late.

In the past, when general conditions or particular problems reached a critical stage, royal commissions have been appointed. At other times interdepartmental committees or interested persons have concerned themselves with regional problems. But these have been lacking in continuity. Their usefulness in solving or anticipating problems has been minimized by their transitory nature. It is my conviction that the federal government ought to make provision for a development unit in the Atlantic region either through the Bank of Canada or the industrial development bank, or as a joint operation of the two. The unit should be located in the area and staffed by people who have a continuing interest in the development of these provinces. The Bank of Canada's research department has an enviable reputation. Undoubtedly it has regional specialists who have a real understanding of area problems. The industrial development bank has industry specialists. I suggest that the government make provision for the systematic use of these facilities for regional development.

One immediate purpose that can be served is the provision of research facilities to provide some of the answers for the Atlantic provinces economic council. Such services would be a very useful complement to the promotional work of the Atlantic provinces economic council and of provincial departments concerned with industry and tourist development.

[Mr. Balcom.]

Second, and most important in the long-term, the constant scrutiny of national policies and programs from the point of view of their regional consequences is becoming increasingly necessary. The growing disparity among the provinces is painfully apparent, but the causes and the desirable remedies are not so easily seen. The problem of freight rates, to mention only one, is staggering in its complexity and magnitude. To those who think this would be just another expensive federal bureau I suggest that they examine the costs of the many royal commissions that have been appointed, and the results achieved. A report is filed, then the valuable experience and knowledge built up in the course of the inquiry are dispersed to the far parts of the country and forgotten.

I should like to refer now to the matter of immigration, which has also concerned me for some time. Being of the opinion that Canada's absorptive capacity in this regard is not as great as many people suppose, I would urge upon the government a cautious policy as to numbers, and certainly a highly selective one. I realize that such a stand leaves one open to charges of selfishness and lack of concern for people living under less favourable conditions than our own. But before anyone becomes too righteously indignant let him ask himself whether he would urge large-scale immigration from countries where population pressure is the greatest, the Far East, for example, where language, customs, religion and standard of living are very different from our own.

The arguments on this subject are varied. Those who favour large-scale immigration usually argue that more people mean a larger labour force and a larger market. But when unemployment befalls large numbers of the new workers the only place they can turn for help is the government. Yet the government is frequently assailed by these same proponents of large-scale immigration for the ever-increasing expenditures on welfare.

There is very strong argument, too, that it ill behooves a country of Canada's size and population to deny entry to those seeking a better life in the new world. Let me assure you that I do not deny the validity of this contention. In the present state of the world some movement of people is necessary and some immigration to Canada is desirable. I do not pretend to know how much nor do I know the answers to all the questions involved, but certain important things should be considered.

First, it must be remembered that Canada is not a homogeneous unit with a long history of strong attachment to a single national

authority. The formation of the Dominion of Canada was in many ways an act of faith. The political and ethnic balance which now prevails has given us a good foundation for growth, but I fear that the spectacular expansion of the past 15 years has given us delusions of grandeur. Many Canadians and many outside Canada seem to have become mesmerized by the idea of bigness. We tend to overlook the nature of our growth, with a thin line of people stretched across a continent and large concentrations of population only in a relatively few centres. Many forget that there are reasons for this sparse settlement. Perhaps I should qualify this by saying that we who live in the coastal provinces are keenly aware of some of the costs of nationhood. The problem of transportation alone is almost overwhelming.

To get back to the main point, suppose business conditions should take a sudden turn for the worse? Suppose United States capital stopped flowing into the development of Canadian resources? How would we keep up our standard of living? The truth is that as a trading nation we are very vulnerable. Our exports are still largely primary products, with a few commodities making up the bulk of the value. Our population is scattered and already divided into two major language groups. Can we risk the addition of a large number of citizens with quite different backgrounds and loyalties from our two major groups? The existence of pockets of people whose Canadianism has not had a chance to take root and mature could be a grave threat to our political stability in time of emergency, either domestic or external. What is more, I question whether we are entitled to tackle with such wild abandon the development of our resources.

We think of Canada as a very large country, and so it is; but the supply of arable land, for example, is not inexhaustible. In fact we are told by our agricultural scientists that Canada will soon be importing more food products than she has exported. This day will be hastened if immigration and natural increase continue at the same high rate.

As to our mineral resources, may I refer you to the proceedings of the annual meeting of the Canadian Institute of Mining and Metallurgy. The retiring president, Dean A. E. Flynn of the Nova Scotia Technical College told the engineers in attendance that they had a stewardship to protect the country's natural resources and the time was right now. I agree wholeheartedly with that. These facts suggest that the conservation of our resources should be receiving very serious study. It should certainly be taken into account in determining a desirable level of immigration for Canada.

There are other ways in which we can help to relieve the pressure of population on other areas. Canada has made a creditable contribution to the Colombo plan. The announcement regarding the proposed increase in our contribution will be welcome, and we should perhaps extend ourselves further in this program. To assist in the creation and enlargement of productive capacity in countries less developed than our own will accomplish more in the long term to raise the standard of living of the world's needy people than immigration can.

Another avenue we can pursue is in the direction of freer trade. Led by an able and farsighted Minister of Trade and Commerce (Mr. Howe), Canadian delegations have worked hard for the removal of trade restrictions. We have responsibilities in this regard, and the government is to be commended for its resistance to the special interests which from time to time seek increased protection from foreign competition. We have too much at stake in the enlargement of world trade to risk such action. Our fish, iron ore, lumber and wheat must be sold on the world market, and we must buy on that market if it is to remain strong and flexible.

Now, Mr. Speaker, there is one subject which is close to my heart and that is housing. As we look forward into 1955 there are many encouraging things to think about. One of the most gratifying signs of progress in the current business picture is the increase in home building. I am sorry to say, though, that according to reports in our local press, the Halifax *Mail-Star*, dwelling construction in Halifax in 1954 was considerably below that of 1953, although the Central Mortgage and Housing Corporation has been most cooperative in promoting the construction of homes.

It was only through the good offices of our own Minister of Public Works (Mr. Winters) in starting the new federal building for Halifax late in December that our construction figures kept even close to those of the previous year. I am not satisfied that all is being done that can be done, particularly by the municipalities. Quite apart from the significance of the increase in home building as a sign of prosperity is its meaning in terms of the well-being of our people, and there is still a great gap to be filled.

At the last census the average earnings of male wage and salary workers in Halifax county were between $2,000 and $2,500 a year.

Applying the standard used by Central Mortgage and Housing Corporation, we find that the average worker should pay from $38 to $48 per month for housing, that is assuming that 23 per cent of earnings should go for rent. That, Mr. Speaker, is what the man with average earnings could afford to pay for rent. What about the large number of workers who earn less than $2,000 a year? Where can they look for adequate housing at the price they can pay? We all know that in most communities it just is not available.

Halifax is an area in which there are many old wooden buildings that are fire traps, lacking in sanitary facilities and improperly heated. Worse still, there are many areas where the children have no place to play except the dangerous streets or dark alleys. How can people maintain their self-respect in surroundings such as these? The wonder of it is that out of these surroundings have come many first class soldiers, sailors, and airmen. I realize that this is a many-sided problem, but we must face the fact that a man earning $100 or $150 per month cannot afford to pay half of it for rent. Somehow we must find a way to provide suitable housing for as little as $25 to $30 per month, not as a give-away but on an economic basis.

The federal government cannot solve this problem alone. Local governments must play their part as well and, most important, the construction and related industries as well as labour must recognize the challenge. Surely an industrial society which can produce so many things cheaply and efficiently can fill this most vital need at a reasonable price. Probably we need to change our ideas on design and purpose. We cannot expect to rent a $15,000 house for $35 a month. Perhaps our sights have been trained too high. When one considers the advances in technology in the past century, the design and production of suitable low cost housing does not seem an overwhelming problem. But whatever the division of responsibility as between governments or as among government, private industry and individuals, we must all stand together at the bar of history. It is not too much to say that our unfinished housing business, the existence of slums in the midst of plenty, is an indictment of our society.

Another aspect of public welfare which is a very real credit to the government is the progress made under our national health program. We are now on what might be called our second five-year plan. The results of the first five years amply justify an extension of the system of grants which has done so much to build up hospital and health facilities, to provide trained workers, to advance research and to improve the care of children and the mentally ill. This work in the promotion of health and the prevention of disease is most important. The build-up of facilities and personnel is essential and a prerequisite of a nation-wide system of health insurance. Let us remember that these steps, in the words of the late prime minister, the Right Hon. Mackenzie King, represent the first stages in the development of a comprehensive health insurance plan for all Canada.

It is true that in our federal system the provinces must participate in the administration of any such scheme. But the existence of federalism does not gainsay the essential soundness of prepayment for medical care any more than for any other form of insurance. Health insurance schemes have proved satisfactory to patients and doctors in many other countries. Can Canada with its abounding riches afford to withhold from many citizens the benefits of medical science?

While on the subject of medical care, may I draw to the attention of the Minister of Finance (Mr. Harris) several items which merit consideration in relation to the Income Tax Act. The first is the treatment for polio and other crippling diseases, which requires the use of expensive drugs during the life of the patient. They are merely palliatives and not cures. Many of these treatments are very costly and while some, such as insulin for diabetes, have been specified as allowable deductions from taxable income, the coverage of this provision is in my opinion not broad enough.

Another cause of very real hardship which warrants consideration also is the complete invalidity of a spouse. Often in such a case the breadwinner must employ a housekeeper to take care of the invalid. I would strongly recommend that the cost of maintaining such housekeeper, at least the wages, be allowed as a deduction from taxable income. This would provide some measure of relief in what are at best most difficult circumstances.

To all our ministers we owe a debt of gratitude for the interest they have taken in our constituency, but I particularly wish to commend the Minister of Transport (Mr. Marler) for his action in making the Halifax airport a near reality, and for the great improvements being made in the Halifax harbour facilities. And I would like to mention here the splendid work accomplished over the years by the retiring chairman of the national harbours board, Mr. R. K. Smith, Q.C. We would also commend the farsightedness of the government in appointing as his successor the former vice-chairman, Mr. B. J. Roberts. The members of the national

harbours board have vision and are very conscious that our national harbours, and particularly the great port of Halifax, should be ready not only in war but in peace to meet any emergency or any business that may offer.

The speech from the throne gives us hope that the elimination of level crossings will be widened in scope to include provision for the removal of underpasses. In Halifax we have the Fairview bottleneck, a menace to the safety of our people. This is in part caused by the Canadian National Railways, but while I admit that the initiative for the removal of this bottleneck lies with the city of Halifax itself, I nevertheless believe it is of sufficient importance that the Department of Transport and the Department of National Defence should also look into the matter of finding a remedy for this condition. While this dangerous exit from the city exists, all efforts of our civil defence organization are practically nullified. There could be no mass evacuation from the city under present conditions. So, Mr. Speaker, I express the hope and urge that necessary changes will be made to alleviate such problems.

It is a source of great satisfaction to the people of Nova Scotia, Mr. Speaker, that the Angus L. Macdonald bridge linking Halifax and Dartmouth is about ready to open, and that the Canso causeway connecting Cape Breton island with Nova Scotia is in itself completed but will not be opened until the canal and locks are ready for use, perhaps in a year. These two projects show, sir, what can be done when the several governments concerned work together.

Would it be too much to suggest, Mr. Speaker, that when the time comes for the official opening of the Canso causeway the House of Commons, if it is sitting, adjourn, or at least that a strong delegation go to Nova Scotia where we will be led across the strait by a noble band of 100 pipers.

In closing, Mr. Speaker, may I say that the announcement in the speech from the throne that the government is going to give consideration to paying municipal grants on the basis of value is very comforting to the municipalities of Halifax-Dartmouth and Halifax county. Halifax is very conscious of how dependent we are on the federal authority for our economy, and it is most gratifying to know that the federal government, in turn, is also conscious of the part they must play in the equalization of taxation.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I hope that after the numerous compliments and bouquets tendered by the last speaker to those on the government benches, hon. members opposite will not be disappointed if my remarks are not exactly in the same tenor.

Coming as I do from a constituency where dairy farming is the principal industry, I feel I cannot let pass unnoticed the fact that 2,250,000 pounds of cheese are expected to arrive from New Zealand in a very short time. I recall that during the last election campaign the Minister of Trade and Commerce (Mr. Howe) informed the dairy farmers in my part of the country that they could eat their own cheese. Now he adds injury to insult when, in effect, he advises them that they will have to eat New Zealand cheese as well. I do not think that is a suitable arrangement.

I should like to refer briefly to the remarks of the Minister of Trade and Commerce in reply to a question asked yesterday by the hon. member for Middlesex East (Mr. White). At page 20 the minister is reported as follows:

> A verbal arrangement was made with New Zealand at a time when we were having difficulty exporting to the British market. New Zealand was asked not to ship cheese to this market. The circumstances under which the request was made have changed. New Zealand was pressing to be relieved from that verbal arrangement and there seemed to be no very good ground for insisting that it be continued.

Of course this whole attitude reflects a complete lack of consistent trade policy on the part of the present government—sometimes tariffs; sometimes no tariffs: sometimes verbal agreements to let products in; sometimes no verbal agreements. At the present time I believe there are somewhere in the neighbourhood of 46 million pounds of cheese in storage in Canada, which is about a million pounds more than at this time last year.

I fail to understand how the Minister of Trade and Commerce can say that the situation has changed, or how he can intimate, as obviously he seeks to do, that the farmers are having no trouble in selling cheese in the British market at the present time. I think everybody in the house is or should be aware of the situation with respect to the export of cheese. In 1953 the Ontario cheese producers' association was able, through its own efforts, to sell 10 million pounds of cheese to Great Britain. I understand it was hoped some would be sold in 1954 but, so far as I have been able to learn—and certainly I have made inquiries—none has been sold yet. So I have great difficulty understanding the Minister of Trade and Commerce when he says that the circumstances under which the request was made have changed.

I cannot understand why the importation of this cheese, apparently by the Kraft company, was allowed under the present circumstances, when there are such great surpluses of cheese in this country. What affects cheese is bound to affect all other milk products, in the long run; it cannot help it. I fully realize that we may very well have to import a number of things from New Zealand because of the delicate question of balance of payments. We are all aware that that is a highly delicate situation. But surely the government could have been more careful than to permit the importation of cheese at the present time and allow this verbal arrangement with New Zealand to be ended. There are many other things that New Zealand exports which I am sure might well be purchased by private persons in Canada, such as wool, chilled meats, frozen meats, lamb and so on. Of course, if no person was prepared to purchase anything from New Zealand, and the balance of payments had to be maintained, it might have been less damaging if the government had purchased something itself.

If the government felt it really necessary to purchase something from New Zealand to keep up the balance of payments and nothing but cheese was going to be purchased by private Canadian firms, possibly the government could have purchased something else. I notice that there is some possibility of the implementation of the Massey report, which may provide an aquarium in Toronto. Toronto also has a couple of fine zoos. I understand that other cities have them also. The government might very well have purchased some kiwis from New Zealand to put in those zoos. They might have paid $72,000 each for them, as they did for those old pictures last year. If they did not care to do that they could purchase some tree ferns from New Zealand and put them in the conservatory in Rideau Hall where we could see them once a year at the garden party. I have no doubt that they are fairly expensive. If those were not satisfactory I suggest the government might very well purchase one of the live volcanoes on New Zealand's north island and, Mr. Speaker, I have a good suggestion as to where it might be put—right in the government lobby, because it might get a little action on some of the present problems such as unemployment and tariff policies.

I am sorry to see that the Minister of Transport (Mr. Marler) has left the chamber. He has been here all afternoon. I should like to make some remarks at the present time that I hope he will take into consideration in the future. We have a problem on some of the great lakes at the present time. I refer to lake Erie and also lake Ontario and lake Huron. A very serious situation has arisen there in the last few years. During the summer months there are thousands of small boats on these lakes. Canada has no coast guard service on the great lakes. There have been numerous unpleasant accidents and drownings on the great lakes. I do not wish to go into a recital of these accidents, but last summer a number of boy scouts and a scoutmaster from Oakville were drowned in lake Ontario. At Port Rowan on lake Erie a number of people from Hamilton were drowned, and the year before a person from Woodstock was drowned in lake Erie.

There are no storm signals to warn of impending storms on the great lakes, which become very rough very quickly since they are not as large bodies of water as the ocean. In addition, if there is an accident, or if there is some difficulty or people get lost, no one knows whom to go to or whom to get in touch with to do something about it. My understanding is that after the drowning of the boy scouts at Oakville last year no one could be contacted to do anything about rescue work. Nobody could be found to take any responsibility. There was no person to get in touch with to send any boats out. It was a very unfortunate situation.

I am not as familiar with the situation on lake Ontario or lake Huron as I am with the situation on lake Erie. Boats operate from Port Dover and Port Rowan and Turkey Point. There are hundreds of small boats on lake Erie operating from these ports. During the four months of June, July, August and September these boats go out all the time and it is only a miracle that there have not been more drownings and accidents. I hope the Minister of Transport will explore the situation and look into the possibility of trying to provide some sort of protection for people who use those boats. Perhaps it was not important a few years ago, but certainly it is now because of the number of small boats using the lakes. I am sorry I am not able to give any actual figures of the number of small boats on those lakes. There is no source of information from which to obtain those figures because boats are registered at different places, and move from one port of ownership to another.

The United States has excellent coast guard facilities on the great lakes. When Canadian boats are in United States waters they are adequately looked after if a storm is imminent. The coast guard does not allow boats to go out if a storm is impending, and if people are caught out in a storm which arises suddenly the coast guard goes after

them and takes them to a United States port. Canada has not the wealth or resources of the United States, and at the present time we cannot afford to have such an elaborate system as they have. But I feel that we can afford to have some sort of system during those four summer months when there are so many small boats out on the lakes. It would not be difficult.

I have a suggestion to offer to the Minister of Transport which I should like him to explore. Use could be made of fishing tugs. They have diesel engines and are of modern construction. They have ship-to-shore radios and their captains know the waters. During the summer some arrangements should be made with them to take turns as "duty boat" and some sort of meteorological service should be made available to them. This is a situation that is quite serious and is likely to become worse rather than improve, because people who live in the inland towns and cities of western Ontario are using boats more and more on the great lakes. Often their knowledge of navigation and seamanship is bad, and they should have some supervision and should be looked after by some type of coast guard service.

The last thing I should like to deal with is the amendment of the leader of the C.C.F. party, which reads as follows:

> . . . have deliberately returned to the policy of uncontrolled and unplanned private enterprise which resulted in the depression and unemployment of the pre-war years, and that Your Excellency's advisers have failed to undertake the economic planning necessary to cope with the serious problems now facing the Canadian people.

I suppose that at the present time the biggest problem that faces everybody in the world is, what is the role of government? That is the basic problem. Is the government to be allowed to decide what we shall do; the goods that shall be manufactured, who shall distribute them, and so forth; or is the role of the government to be drawn from the philosophy of the nineteenth century, that of an arbitrator, the personage who regulates and keeps the various pressure groups in the country from becoming too powerful and facilitates the development of free human beings? Perhaps that is not expressed too well but it is basically the argument that we have in the world at the present time.

There are many, and particularly those to your left, Mr. Speaker, who are always advocating that the government should decide what is good for people, what remedies they should receive, if times are not good, and what should be done for them. But I still insist, Mr. Speaker, that provided the government makes facilities available, it is much better that when the need arises people should look after themselves in their own way; because in circumstances such as these it is a question of what people realize they need themselves and not a question of what someone else thinks they need.

I refer particularly to the subject matter of credit unions. We often hear talk about capitalism and free enterprise. Unfortunately capitalism or free enterprise is usually personified as having a large fat stomach, striped trousers and a silk hat. Some people wish to personify capitalism in that way because it suits their purpose. I am afraid that sometimes this picture has gone over with the general public, but there are many facets and different aspects to capitalism. Sometimes we have capitalism that is not dressed up in a silk hat and striped pants, but in overalls. I think the credit union movement in this country is probably one of the best examples of capitalism in overalls.

Credit unions have arisen because of a need. The need was to obtain small loans at low rates of interest. Normally the people who need small loans are those who can least afford to pay high rates of interest. This is much the same as the mutual insurance companies. When the straight line insurance companies would not insure farm property the farmers' mutuals came into being because of the need. Credit unions arose much in the same way.

It is true there are loan companies, but they charge very high rates of interest. I do not blame them entirely as they have a heavy overhead, big staffs to keep up and so on. They have to make a profit. But the credit union movement grew as a result of this condition. Funds were made available for small loans at reasonable rates of interest. Credit unions charge the borrower a maximum of one per cent per month on the unpaid balance on a day to day basis with no extras. Many credit unions charge less than this. They are able to do so because the work of the credit union is done on a voluntary basis, and there is no overhead to pay.

Credit unions as we know them today started in Canada in the 1930's, although a similar organization known as the caisse populaire existed in Quebec prior to that time. At the present time there are about 3,000 credit unions in Canada and about 1,000 caisses populaires in Quebec. The latter are set up on a parish or geographical basis, rather than an industrial or functional basis as the credit unions are. At the present time there are about 1,200,000 credit union members in Canada, while there are about 300,000 members in caisses populaires. The credit

unions are regulated by provincial credit union acts, and most provinces have legislation of this type.

Credit unions have often been misunderstood and I think this is a great pity, because they perform a great service to the people of this country. Loans extended by credit unions are based on the character of the person who is borrowing. Since the credit unions are normally not too large the committee which extends credit knows the people personally to whom money is being lent. This is an advantage which the other lending institutions simply do not have.

People often say that there is no control over the credit unions, that anyone can take the money. That is not so, because the officers are bonded and reserves are set up to offset bad loans. The voluntary assignment of wages required by law when a person is given a line of credit is seldom used, as loans made by the credit union are made on a character basis. In the event of the death of a borrower whose loan is still outstanding the loan is paid off by an insurance company and not by the estate of the deceased. That is most important when a person of little means dies and the loan does not have to be paid either by his widow or his family.

The investments of a credit union are mostly in the form of loans to members, but credit unions can invest their surplus funds in securities approved under the Trustee Act of Ontario or the trustee acts of other provinces. Credit unions have been most successful in Canada, as only approximately one-tenth of one per cent of the loans extended have resulted in bad debts. This does not even approach the reserves which are required by law to be set up for bad debts.

Before I close I should like to touch briefly upon the benefits of credit unions. Whom do they benefit? They certainly benefit the persons who borrow money, because they are able to obtain small loans at low rates of interest without being badgered afterward by a sheriff or bailiff or officers of a finance company. Loans are granted to people who have real need of money. They may want to pay medical bills and so on; loans are granted "for any useful purpose". It has been the experience of credit unions that people who belong to this organization learn through budgeting to manage their affairs much better. It has been the experience that the biggest borrowers often become the biggest savers at later periods.

There are advantages that accrue to other people than those who borrow money. Advantages accrue to industry from the credit union movement. This movement reduces the financial worries of employees, which in turn increases the efficiency of a plant. I have spoken to several business executives who tell me that this movement has been of great assistance in solving personnel problems in their plants. There has been a great deal of co-operation between management and the credit union movement, because it has been found that this results in a reduction in the number of garnishees of workers' wages and the number of requests for pay advances by employees. As a result the book work of a plant is reduced tremendously.

What about the credit unions and the banks? I have heard people say that the banks do not approve of the credit unions. That is not so. Credit unions do not compete with the commercial banks. They deal only in small loans. I have it on fairly good authority that small personal savings accounts are uneconomic as far as the banks are concerned. A bank will look after such accounts as a matter of public service and because it is obliged to do so, but they are more of a nuisance than anything else. The credit union collects and consolidates its small deposits and puts them in the bank as one large deposit. Therefore the banks are saved needless book work. All credit unions deposit their funds in the chartered banks. The credit unions supplement the services of the banks in the personal loan field.

The credit unions are of one other indirect benefit to the country. In times of business recession, or business depression as some people prefer to call it, the credit unions do not curtail the extension of credit as do the commercial banks. The credit unions extend credit just the same in bad times as they do in good times. This cannot help but buoy up the general economy of the country.

In my own county of Oxford there are more credit unions than anywhere else in Canada. We have a good stable type of economy in that county. Three out of five workers in the county belong to credit unions. The success of this movement is largely due to the efforts of a businessman in Woodstock by the name of Earle Reed. He has done a great deal of work in this connection and his name is known from one part of the country to the other wherever the credit union movement exists.

In conclusion I would say I have gone to great lengths to deal with the credit union movement because I feel it illustrates, as I have pointed out before, what people can do on their own without the help of any paternalistic government. The great success of the credit union movement has been achieved

without the interference of government agencies. When people to my left get up and say that everything must be under government auspices I would refer them to the credit union movement as a glowing example of what people in Canada can do on their own without government assistance or interference.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have in my hand a copy of a recent issue of a daily newspaper published not far from here which contains what I regard as a very delightful human interest story. This was written by one of the members of the press gallery, Mr. Gerald Waring, who writes a column under the caption "Capital Comment". This is a story of how we finally got pensions for disabled persons. It is not my purpose at this point to rehash the debate we had on that question last session, but if hon. members have not had this article by Gerald Waring drawn to their attention I believe they will be interested in hearing its details.

According to this columnist there is a young woman about twenty-two years of age, whose name we do not yet know, who lives in Sherbrooke, Quebec, to whom considerable credit should be given. It appears that in July, 1953—when most of us were extremely busy, as hon. members will recall if they think back to that time—the Prime Minister (Mr. St. Laurent) was in the midst of his election campaign. He visited Sherbrooke and spoke there at what I am sure was a large and enthusiastic meeting. The parents of this young woman to whom I have referred attended the meeting and, according to Mr. Gerald Waring, in order to break the monotony of their daughter's day—for she is tied to a wheelchair, being disabled with a spinal ailment—they took her to the meeting; and he says, if I may quote him in part:

> She was intensely interested in what the great French-Canadian leader had to say.

Mr. Gerald Waring points out that the theme of the Prime Minister's speech had been the Liberals' record in the field of welfare legislation. As this young woman listened to the Prime Minister's glowing reports of what the Liberal party had done, she wondered why this government had not done something for people like her. According to the story as set out in this column, the idea stuck in her mind for several weeks, and shortly after the election on August 10 was over, she decided to do something about it, so she wrote a letter to the Prime Minister.

There is nothing unique about that procedure. Many people write letters to the Prime Minister, and many more would like to do so. Indeed, this columnist says there is no question but that many letters have been written to the Prime Minister across the years asking that something be done in the direction of pensions for disabled persons. But most of those letters had been intercepted, apparently, by the Prime Minister's efficient secretarial staff, and in the past the routine was that those letters were sent over to the Department of National Health and Welfare where, for many years, the stock answer was sent out that, although the people at Ottawa were interested, this was really a provincial matter.

But this young woman whose name we do not know, instead of writing to the Prime Minister here at Ottawa—apparently she knew that he was having a little holiday after the strain of the election campaign—addressed her letter to him at his summer home at St. Patrick in the province of Quebec. It appears, therefore, that this young woman's letter, stating her plight and her view that, if the Liberal party believed in a program of human welfare, something should be done for disabled persons, came to the Prime Minister's personal attention.

As I go on and read the story I find that the Prime Minister was greatly impressed by this young woman's letter to him and accordingly, so Gerald Waring says, he wrote back to the young lady assuring her that the government would bring in disability allowances legislation at the next session of parliament. Then this columnist goes on to say that, on the Prime Minister's personal instructions, legislation was hastily prepared, presented to parliament and enacted.

As we also recall, when this legislation was before us last session the Minister of National Health and Welfare (Mr. Martin) paid a tribute to the Prime Minister's personal interest in this question. The Minister of National Health and Welfare said that interest was indicated to him in a letter which the Prime Minister wrote to the Minister of National Health and Welfare shortly after the election of August 10, 1953.

Whether or not this story is apocryphal, I do not know. It certainly has the ring of validity about it. As I said in my opening remarks, I regard it as a delightful human interest story. This columnist to whom I have already referred says that he made strenuous efforts to ascertain the name of this young woman. He even went down to Sherbrooke and interviewed a number of people, but he has been unable to learn her name. In his column he expresses the hope that sooner or later the Prime Minister will dig out that letter and let us know the name. I agree with Gerald Waring. I think

this young woman should be given credit for having written the final letter, the one that did the trick.

As I say, Mr. Speaker, that was an extremely interesting routine that was pursued, and we are all delighted that at long last the efforts of many other people to get something for disabled persons bore fruit because of the writing of this letter by this young lady.

I think hon. members will realize that there is in my mind a question. I should like to know who could write the Prime Minister a letter asking for health insurance that would do the trick. Apparently the Prime Minister is a human being. Apparently when the plight of people is really presented to him in a way that impresses itself upon him, he uses his authority as Prime Minister to say "Something must be done about this". Apparently the appeals of members of parliament on the floor of the House of Commons and the appeals expressed in motions that have been made across the years by this party—and which are now made by the Progressive Conservative party—do not have the effect on the Prime Minister that we think they should have. I hope my having told this story of a letter from a young woman in Sherbrooke that did the trick with regard to disability pensions will have the result that someone in this country who feels personally the need for a national health insurance program will write to the Prime Minister personally the kind of letter that he will see and that will do the trick.

Mr. Blair: You write it.

Mr. Knowles: The hon. member for Lanark suggests that I myself write the letter. I should be glad—

Mr. Rowe: Let the same girl write it.

Mr. Knowles: It does not matter who writes the letter. What we want is to get action on this important question.

I congratulate our friends to the right, the members of the Progressive Conservative party, on having added a nation-wide program of health insurance to their amendment which they presented to the house yesterday. Despite the fact that in the past they voted sometimes one way and sometimes the other on this question, I dare to hope that this time they will vote for it and that that will impress upon the government the fact that there is in this country a growing feeling that the time has come to have a nation-wide program of health insurance.

I noticed the answer the Prime Minister made to this request yesterday. It is the same answer he has made on a number of occasions. Referring to health insurance as requested in the amendment before the house, as reported on page 34 of *Hansard* he said this:

> It certainly is something that is highly desirable. It is something that we would all like to see done. However, our progress in the development of welfare services in Canada has been fairly rapid over the last few years.

That is his view, not mine. It seems to me that it has taken a long while to get such progress as we have achieved. The Prime Minister continued:

> Any further implementation would require the spending, through government agencies, of a larger portion of the incomes of individuals. That is something which will come, but the timing of it will depend upon the circumstances of the Canadian economy generally.

Mr. Speaker, I think it has been demonstrated by those who have gone into this question—it was brought out in the report of our old age security committee of 1950, and you can find it in material that has been produced on this subject by the Department of National Health and Welfare—that if you establish a nation-wide program of health insurance you are not going to spend much more money in the total than is now being spent on the health of our people, but rather that you are going to spend it in a fairer and more logical manner, and that you are going to see to it that people get health care according to their need for it rather than according to the state of their purses.

I suggest that if the Prime Minister can say as he did yesterday, with regard to a plan that will bring health services and hospital care to all Canadians, that it is something that is highly desirable; if he can say it is something we would all like to see done, he is the same man who, when he received the letter from this young woman in Sherbrooke, realized he could do something about that problem. He can do something about a nation-wide program of health insurance this session, and I call upon him to do so, certainly in the life of this parliament.

I make once again the appeal that many of us have been making in the house, that we in this group have been making persistently throughout the years, that this is the step in the field of welfare legislation that must next be taken; and that if we are going to claim to be a modern, progressive, civilized country it should be taken without further delay. I congratulate the Prime Minister on his response to the appeal that came to him in the letter from that young woman in Sherbrooke. I hope he will realize that there are thousands of Canadians who are looking to him to do something about this important question of health insurance, and on their behalf I call upon him to do something about it at this session of parliament.

Now, Mr. Speaker, I seem to be picking up newspapers today, and I have another one in my hand. This is the issue of December 31, 1954, of the Winnipeg *Tribune*, a newspaper published in my own city. There is something on the front page, again of a human interest nature, which I enjoyed reading as I am sure all did who saw it when it was published on New Year's eve. The Winnipeg *Tribune* has followed the practice in recent years of inviting its readers to send in nominations as to who should be given the fictional title of "citizen of the year for Winnipeg". For several years they have been carrying on the practice and various people have been named. The newspaper has simply followed the practice of awarding that title to the person whose name is sent in by the largest number of its readers.

This year the title of citizen of the year was given by the Winnipeg *Tribune* to a very good friend of mine, a chap with whom I went to college years ago, the Rev. Fred Douglas, minister of old St. Andrew's United church on Elgin avenue in the heart of the constituency of Winnipeg North Centre. This minister of the United Church is indeed a very fine chap in every way; and in his own right, being the kind of person he is, and in view of the kind of service he renders, he deserved beyond question the honour which was accorded to him not just by the *Tribune* but by the readers of that paper. I think hon. members will be interested to know why the Rev. Fred Douglas was awarded the title of Winnipeg's citizen of the year. It was because of something he organized, something he did for old age pensioners.

Two and a half years ago a few little homes for old age pensioners were built under his leadership where couples who had nothing else on which to live but their $80 a month—in that case it was always a couple that had to go into the quarters—could find a place to live. It took a good deal of hard work on his part, a good deal of going around to people who had a bit of money, to get them to help him out. He was able to get other people to donate various services—and they, too, deserve credit—and he was successful at that time in getting that first project under way. It was recognized by everyone as such a good move, drop in the bucket though it was, that Mr. Douglas was encouraged to go on and do something more.

During 1954 he was successful in opening another of these projects near the church of which he is minister, right in the heart of my constituency. This time he was able to build two rows of houses that are joined together to provide accommodation for twelve single old age pensioners and also adjoining quarters in which a married couple live who look after the premises generally. In addition there is a common room where the people who live in the individual units can get together. The arrangement is that only people who have nothing but their old age pension to live on are given an opportunity to live in these homes. Single persons pay just $12 a month but, in view of what has been put into the project, that covers the cost of maintaining these homes.

I will not take further time to give additional details so far as the homes are concerned. What I think is interesting is that this service to old age pensioners, this attempt to provide homes for these people, was so widely recognized in Winnipeg as one of the finest pieces of work done by anyone in our city in 1954; hence the overwhelming number of those who took the trouble to write the Winnipeg *Tribune* as to who should be citizen of the year said that this was the man, this friend of the pensioners, this man who did something to make life a little better for at least a few of Winnipeg's older citizens.

I want to pay my personal tribute to what Fred Douglas has done, and I pay a similar tribute to other individuals and organizations in Manitoba and other parts of the country who, here and there, have done something to provide homes for senior citizens. I know of other projects in Manitoba. I know of a project in Vancouver and of one in Windsor. No doubt there are others, though they do not come to my mind at this moment.

The point that impresses itself upon me is that citizens generally like to see something done for old age pensioners. What a fight we have had across the years to try to get the old age pension in the first place, to get the means test abolished, to get the amount up to $40 a month and to get something paid at age 65. This government acts as though the people of Canada did not want their money spent in that way, but in that view the government is wrong.

I say these letters of tribute to Fred Douglas show that the people of Winnipeg feel that something should be done for old age pensioners, and I am satisfied that the people of Winnipeg are no different from the people of Canada from one end of the country to the other. I say to the government that I feel it is not responding to the good will of the Canadian people. It is not aware of what is in the hearts of the Canadian people when it sits back and thinks it does not need to do anything more about old age pensioners, and can just let things remain as they are. The only word about old age pensions we see in the newspapers is that

the Minister of Finance (Mr. Harris) is wrestling with the question of whether or not he should increase the rate of the old age security tax. There is no suggestion in such stories of what is really needed, namely an increase in the pension itself.

It is a fact that stories are published in financial papers about the old age security fund being in the red, but nothing is said about what some other services may be costing. Any other item of expense, whether it is on defence, public works, harbours or what have you, is a cost. There just does not happen to be any tax that is particularly earmarked for these expenditures, so the figures are not set side by side. In this case there happens to be what is called an earmarked tax, but it does not mean that the country is in the red because it is paying old age pensions. Not at all. So long as there is money available in the treasury, so long as there is available out of the gross national product of the country money that could improve the lot of old age pensioners, we are not in the red because we do something for our senior citizens.

I insist, as I have in other sessions, particularly since 1949 and 1950 when the figure was set at $40 a month, that we are not playing fair with our senior citizens and we are not playing fair with ourselves as Canadian citizens if we leave the pension at $40 a month. It should now be raised to not less than $60 a month. I call upon the government to shake off its lethargy, its indifference, to shake off the notion that they solved this problem years ago. They only took a step. The problem is still there. If we regard ourselves as a civilized people we have to do more than we have done thus far for our senior citizens. I urge that something be done about that question at this session of parliament.

Like other members who have spoken thus far in this debate, Mr. Speaker, I too welcome most heartily the announcement in the speech from the throne that there will be legislation amending the War Veterans Allowance Act. I welcome in particular the precise information that whatever amendments are brought in they will do at least two things, increase the basic rates of the allowance and raise the level of permissible income. I am not going to get mixed up in the argument that has already taken place as to who is responsible for this action. Perhaps some veteran somewhere wrote a letter to the Prime Minister that really reached him, like the letter from the young lady in Sherbrooke which was sent to him at St. Patrick in 1953.

We do not worry about that. What I do hope, Mr. Speaker, is that when this legislation is brought down it will not be a disappointment. In my view, as has been stated by members on all sides of this house in the last year or two, the Canadian Legion has been very responsible, very conservative in its requests. It has asked that the war veterans allowance be raised to not less than $60 per month single and $120 per month married. It has asked that the ceiling on permissible income be raised to not less than $1,200 single and $2,000 per year married. I call upon the government, when it introduces that legislation, not to fall below those reasonable requests of the Canadian Legion.

I suggest that the Liberal members in particular, who are happy to stand up and welcome the announcement in the speech from the throne, might well try to get the ear of the members of the government and make it clear to them that they will have to change their tune if, when that legislation is introduced, it provides anything less than has been asked for by the Canadian Legion. In my view their request on behalf of these burnt-out pensioners is legitimate and reasonable. I hope it will be met to the letter.

As one who thinks we can get along with 30-minute rather than 40-minute speeches, Mr. Speaker, I am going to conclude before six o'clock. I am glad I said something that received the approval of those on the opposite side. I shall eliminate some of the notes which I have before me so I can conclude by the adjournment hour.

As others have been pointing out, one of the most serious problems facing the country at the moment is that of unemployment. I, for one, feel that the government just is not conscious of how serious this matter is to the people whom it affects. The government seems to be able to see these things only in terms of statistics; that is all they are, figures on a sheet.

I come back to where I started, Mr. Speaker. I suppose once again somebody had better write the Prime Minister a letter. The Prime Minister's secretaries had better be away on a holiday or having a coffee break so the letter will go in to the Prime Minister himself. Perhaps he should see a letter from an unemployed person whose family is suffering because, in this great country of ours, with all the needs we have, there is no work.

I was disappointed yesterday that the Minister of Transport (Mr. Marler) felt it necessary to take as notice the question I asked him concerning the lay-offs by the Canadian National Railways. It is quite true

that I did not send him notice of the question, but we had an exchange of telegrams and letters about this matter a few weeks ago. I thought it would be one of the matters on top of his desk, the way large numbers of employees have been laid off in recent months by the Canadian National Railways. About a year ago when we were here, on two or three occasions I asked the then minister of transport, the Hon. Lionel Chevrier, if we were at the end of the lay-offs by the Canadian National Railways. Every time I did so he expressed the hope we were. Every time he expressed the hope that there would be no more lay-offs, more lay-offs came.

Surely this is one field in which the government, since it owns the Canadian National Railways, can take steps to see that the unemployment situation is not worsened by the action of the railway. I am satisfied from conversations I have had with some of the employees themselves that there is work to be done, on the basis of which some of those laid off could be put back to work.

There are other fields in which employment certainly could be provided. I congratulate the junior member for Halifax (Mr. Balcom) upon his remarks today on the question of housing. I do not necessarily agree with all the details of what he said, but I certainly agree with his contention that we have not solved the problem of housing until we have made homes available at rental rates that can be afforded by those whose incomes are in the middle and lower brackets. This calls for the building of still far more homes than we have in this country, and as long as homes need to be built, as long as homes need to be provided, with all the facilities and conveniences that are necessary in the modern home, it is utterly ridiculous that we should have an unemployment situation.

Unemployment seems to suggest there is nothing needed. This country is full of needs for our people, very real, human needs such as homes, furnishings, equipment, roads, hospitals and all the rest. We are in tremendous need of the production of wealth to provide an adequate base for a proper, full-fledged social security program. Unemployment does not make sense, Mr. Speaker. If it does not make sense it is certainly nonsensical for the government to sit over there and do nothing about it. I challenge this government to shake off the lethargy that has been revealed from the time this session began and do something without delay about these very serious and important problems now facing the people of Canada.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, before coming to the substance of my remarks I should like to associate myself with all those who have complimented the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne upon the excellence of their speeches. I should like also to take this opportunity to extend to all my constituents my best wishes for a very happy and prosperous 1955.

The year that recently ended proved to be much better than had been generally expected. In spite of the slight economic recession, with the attendant increased unemployment and the poor wheat harvest, 1954 still turned out to be one of the most prosperous years in our history. Unfortunately this prosperity was not uniform throughout the whole country and in some sections our people are still experiencing severe economic hardship. This is particularly true of a large majority of the people whom I have the honour to represent. For although Newfoundland as a province enjoyed unprecedented prosperity during 1954, this prosperity was not shared equally throughout the province. Many of the dark spots in the picture of our provincial economy are to be found along the southwest coast, and particularly in my own riding.

Burin-Burgeo is one of the poorest ridings in all Newfoundland, because it is almost completely dependent upon the fisheries. And while in some sections the fisheries have been very good indeed, in others they have been very poor; and the western half of my riding is fast becoming a depressed area.

The southwest coast of Newfoundland is the only part of the province where all commercial varieties of fish are available and can be caught the whole year round. But, so far as the fisheries development program is concerned, it appears to be a forgotten area. Not a single experimental station has been established along the entire coast, and no plan has been announced either for the development of its fisheries or for the solution of its problems.

If hon. members will cast their minds back to the Christmas just past they will recall pleasant and happy memories of plenty of good things to eat and to drink, plenty of toys for the children, and plenty of good things to enjoy. For many of the fishermen in my riding this Christmas was a cheerless one indeed—no toys for the children, nothing special to eat, only the bare necessities of life. And now they can look forward to a bleak and hungry winter alleviated only by

family allowances and provincial welfare payments. Apart from employment at the Canadian National Railways terminal at Port aux Basques and the fluorspar mines at St. Lawrence, the only bright spots in my riding are to be found in six or seven communities where fresh fish plants are in operation. Fresh fish plants are indispensable to the development of our fisheries and the rehabilitation of our fishermen, but they must not be regarded as the whole answer. The salt fish industry is equally essential to the prosperity of our fishermen and to the economy of our province; and it must be kept alive at all costs.

It is imperative that we find more and more remunerative markets for our salt cod, because the economic well-being and the prosperity of our fishermen depend to a very large extent upon competition between the fresh and salt fish industries. My own constituents, as well as fishermen in all parts of Canada, will be pleased to learn from the speech from the throne that loans, similar to prairie farm improvement loans, will be made available to them. This is a move in the right direction, and one that has been long overdue.

Our means of production are in great need of modernization, but on the other hand there is little point in catching fish that cannot be sold. The most urgent need of our fishermen is a variety of competitive outlets for their fish, because even with their present methods and means of production they can still produce much more than they are producing. There is no incentive for fishermen to produce fish unless they can sell their catch at a profit. What point is there in a fisherman toiling from early morn until late at night, day after day, only to find at the end of the year that he has barely met his cost of production?

For these reasons it is hoped that our Department of Trade and Commerce will continue their efforts to expand the markets for all our fisheries products, our salt fish as well as our fresh fish. We also need most urgently more research into the possibilities of the herring fisheries. The tinning of fresh fish, fish tongues, fish cakes and fish roes also deserves far more attention than it has received up to now.

It will be a sad day for Newfoundland when our salt fish industry disappears. But not only will it disappear; the fresh fish industry too will be seriously affected unless unemployment insurance benefits are extended to our fishermen without further delay.

In many settlements today the fishermen actively engaged in the fisheries are all over 50 years of age. When they can carry on no longer there will be no one to take their places in the fishing boats, because all the younger generation are forsaking the fisheries for other forms of employment which carry with them unemployment insurance benefits. And who can blame them?

We are all happy to learn from the speech from the throne that war veterans allowances and blind pensions are to be increased. This will meet with universal approval throughout the whole nation, for no two groups among us have a better claim to a greater share in the growing prosperity of this country.

The speech from the throne also indicates that unemployment insurance benefits are to be extended. This will be welcomed by all, and it is hoped that the proposed changes will include the extension of these benefits to our fishermen, because this is absolutely essential to the survival of our fisheries.

While I am dealing with matters affecting fishermen I know my constituents would never forgive me if I failed to mention one matter that concerns them very much, namely the restriction on the shooting of turrs. Hon. members who were present in this house on March 14, 1951, which was a private members' day, will recall that the whole sitting was devoted to the discussion of this problem, when Mr. Gordon Higgins, who then represented St. John's East, introduced an amendment to the Migratory Birds Convention Act with the object of having these restrictions relaxed. Both the Minister of Public Works (Mr. Winters), who was then minister of resources and development, and the Secretary of State for External Affairs (Mr. Pearson) took part in that debate and indicated by their remarks a sympathetic attitude toward this problem, as can be seen by a reference to pages 1260 and 1261 of *Hansard* of that day.

Following that debate the restrictions on the shooting of turrs were relaxed and continued relaxed until last fall when, without warning, the Royal Canadian Mounted Police began rigidly to enforce them once more. This is very difficult to understand, because no warning was given and no public announcement or statement with reference to the matter was made by anyone in authority. To add to the confusion, there are rumours that restrictions are being rigidly enforced in some sections of our province and not in others.

As far as my own riding is concerned, the situation now is even worse than it was in 1951. I have already described the desperate condition under which many of my people are trying to exist. This Christmas

they were not permitted even to enjoy a meal of turrs. These restrictions are causing them a very severe hardship and adding to their misery, because they are being deprived of the only source of fresh meat that is available to them. I therefore bring this problem again to the attention of the ministers concerned and urge them to effect a speedy, satisfactory and permanent solution.

There is one other matter of great importance to my constituents that I must bring to the attention of this house because, after five years of fruitless effort, all other means of dealing with it have been exhausted. I refer to the Canadian National telegraph service to the small outport communities of Newfoundland. Prior to confederation the postal and telegraph services were combined under a single department of the Newfoundland government and had been built up to a high peak of efficiency within the limits of the financial resources at the government's disposal. After confederation this sensible and efficient organization, which had been created through a process of trial and error to meet the special needs and conditions of Newfoundland, was destroyed. It was split up. The postal services were taken over by the federal Post Office Department, and the telegraph services were transferred to the Canadian National Telegraphs.

It was expected that the Canadian National Telegraphs, with their greater financial resources, would implement the plans which even in 1949 the Newfoundland government had under consideration for the improvement and the expansion of those services. Instead, the service has steadily deteriorated until now it is little better than the Indian smoke signals or the African tom-toms, and it has about the same degree of privacy. Land line telephones are housed in wooden booths which, instead of being soundproof, amplify the voice so that it is clearly audible to everyone standing in the office lobby. Messages being transmitted and received over the wireless telephone can be picked up by anyone within a radius of 20 or 30 miles who cares to turn on his radio. In some areas the local Canadian National Telegraphs telephone has a greater listening audience than "Ma Perkins" or many of the soap operas. It is seldom possible for more than four or five people to listen in on a rural telephone line, but the audience of the Canadian National telephone is limited only by the number of radios within range. Consequently businessmen are forced to carry their messages by boat to the nearest Morse operator, in order to prevent confidential information being overheard by their competitors.

If one is travelling along the coast by boat it is an absolute waste of money to send a telegram on ahead. I proved this for myself over and over again as I travelled through my riding. Day after day, before leaving port in the morning, I would send a telegram to the place where I planned to spend the night, and then after travelling all day at 8 knots speed against wind and tide I would invariably arrive at my destination ahead of the telegram.

This situation is due partly to obsolete equipment which had been in use for about 20 years or longer prior to confederation, and partly to the stupidity of Canadian National Telegraphs policies and regulations. Although present facilities are not adequate to handle even normal day traffic, the Canadian National Telegraphs insist on cluttering it up still further by accepting long night letters for offices which have no night operators and which therefore must be transmitted only by day. The effect is the same as giving a reduced rate, but if that is the object the sensible thing to do is reduce the rate on normal telegrams and thus speed up the traffic.

Canadian National Telegraphs regulations give priority to stock market quotations, and as a result urgent telegrams, which should have been delivered the day before, or the day before that, are delayed still further while the local operator in the tiny village is kept occupied copying down lengthy stock market reports which are not of the slightest interest to anyone, and least of all to the poor fishermen.

I bring this matter to the attention of the house, because if the Canadian National Telegraphs persist in pursuing their present policy the time is not far distant when the whole telegraph service in Newfoundland is going to collapse for lack of qualified Morse operators. Before confederation every Morse operator trained his children and his relatives to transmit and receive Morse messages. The treatment they have received at the hands of Canadian National Telegraphs has sickened them so much that they do that no longer. As a result combined offices, where the postmaster is also the telegrapher, are now often closed down for a week at a time while a frantic search is conducted to find a qualified Morse operator.

Before long the scarcity of Morse operators will have a serious effect upon the postal services. In order to keep these services in operation it will be necessary to separate the duties of the postmaster and the telegrapher and appoint a separate individual to each job. This will result in the collapse of both services because the salary paid for the combined duties averages only about $2,000 a year, and

when that is divided between two people it will not be sufficient to attract competent and responsible persons. The alternative will be to either increase both salaries or close down both services.

The officials of Canadian National Telegraphs are fully aware of this situation, because they have been informed of it on many occasions. Recommendations and suggestions are treated with such haughty indifference that one can only assume they are not wanted. My own personal experiences have convinced me that it is a useless waste of time and effort.

The situation is going from bad to worse and will soon become hopeless. It is now apparent to everyone that a mistake was made when the Newfoundland organization that existed before confederation was split up and destroyed. The only solution is to retrace the step taken at confederation and transfer the telegraph services back either to the post office or the Department of Transport.

Rapid communications are a vital necessity to the development of any area. In regions where there are no road communications and where the mail service is of nine-day frequency by coastal boat the people are far more dependent upon telegraphic services than the people in those areas which are fortunate enough to enjoy other means of communication. Therefore I urge the government to give early attention to this most important matter.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, the debate so far has brought to the attention of parliament, rather forcibly, I believe, the fact that there is definitely a recession in our economic situation. We sometimes refer to this as a depression, but I have found that people occasionally take offence when we speak of a depression. They seem to think that "recession" is a more polite term for the situation. I do not know that there is any difference. As an hon. member pointed out in the past, a recession is when your neighbour loses his job, but when you lose your job it is a depression. We are somewhere in between those two definitions.

It has become abundantly clear that there has been a serious falling off in agricultural income. Unemployment is higher than it was at this time last year, and retail trade has been falling off. This is a natural consequence of the first two factors.

This evening I am not going to go into the question of unemployment to any extent, because my colleagues will deal with that much more thoroughly than I could; but I should like to devote a little time to the question of an agricultural policy for Canada. I am glad that the Minister of Agriculture (Mr. Gardiner) is in his seat tonight, because most of what I shall have to say will refer to his department as well as to the Department of Trade and Commerce.

First of all I should like to say that I believe every member of this house subscribes to the proposition which has been stated here and elsewhere so often by members of all parties that agriculture is entitled to its fair share of the national income. What I have to propose will not be in the nature of asking this parliament to hand out anything or to give preferred treatment to this basic industry which perhaps of all industries in Canada deserves preferred treatment. Rather my object will be to outline a policy which will, as near as it is possible to do so, bring to agriculture its fair share of the national income.

I should like to begin by quoting a resolution passed at a recent convention of the Manitoba farmers' union. A number of resolutions were passed dealing with agriculture, all of them of some importance, but I believe this one is the hub of all the resolutions, perhaps the basic resolution. I quote:

> Whereas the price of farm products and farm income is constantly dropping while farmers' cost of production is increasing and there are no signs of parity between what the farmers earn and what they must pay for what they buy, and agriculture has therefore reached a most unstable position in comparison with other industries;
>
> Therefore be it resolved that we, the Manitoba farmers' union, strongly urge our federal government to establish a policy of forward pricing on all agricultural commodities, which would bear a 95 per cent parity relationship to other goods and services, thus bringing about stability in agriculture and strengthen our whole economy.

I say that resolution is basic because if it were carried out it would involve the putting into effect of a number of supplementary policies which possibly would help to bring about the objective I have stated, that is a fair share of the national income to agriculture. Before I go on to outline the proposals I am going to make I want to say that I do not consider them to be either conclusive or exhaustive. I should like to hear proposals from all sides of the house so the government might summarize them, take from them what they believe to be constructive and practical and then come back to this house with a policy for agriculture which would bring about some stability and future for that great industry.

As part of that policy I should like to see a system of marketing boards. It is true that there are some marketing boards in existence.

In his speech yesterday the Prime Minister (Mr. St. Laurent) referred to one of them, the one which perhaps stands out above all others, the Canadian wheat board. This board has been one of the most successful in the history of marketing in this country. However, there are many other types of marketing boards needed if we are to attain that orderly marketing which I believe was the objective of all hon. members of this house in 1945 and the post-war years; at least hon. members from all sides of the house seemed to agree with that objective.

As one of the steps toward it I would suggest that every effort be made to assist those provinces which are now trying to organize livestock marketing boards. The Minister of Agriculture well knows that in the prairie provinces at least some definite steps have been taken. A great deal of planning has gone into the proposed establishment of marketing boards for livestock. In recent months other provinces have shown an interest in that project. As I read the press and according to what I hear from the agricultural organizations, the most recent development is the idea that if enough of the provinces show an interest in setting up livestock marketing boards, then the federal government can come to their assistance by co-ordinating their efforts through a national livestock marketing board and in that way establish a policy of orderly marketing from coast to coast. That is something that would also be necessary in connection with interprovincial and international trade in livestock and livestock products.

But perhaps the most important thing towards which the farm organizations are looking, so far as this house is concerned, is the establishment of floor prices for livestock products. Obviously it would be beyond the financial possibilities of any one province, and particularly of the prairie provinces whose revenue is very unstable as recent years have shown, to take the financial responsibility of establishing floor prices for livestock commodities within their own borders. The provinces can and no doubt will help in the organization, regulation and administration of livestock marketing boards within their own borders, but when it comes to the question of guaranteeing a floor under which the price will not be allowed to drop, it is only at the federal level that this financial responsibility can be carried. I hope that, as part of an over-all marketing policy, the government will consider helping the provincial farm organizations which have done a great deal of important preliminary spade work. A great deal of information has been elicited in connection with these boards. The federal government can help them to co-ordinate their efforts through a national livestock marketing board.

I should also like the government and this house to give some attention to the proposal that has been made by various farm organizations of a two-price system for Canadian wheat. It has been proposed that on the domestic market—that is, for that portion of the wheat which is sold for Canadian consumption—a price should be set which should bear a relationship to other prices. It has been pointed out, and I think with some authenticity, that it would not be a departure from regular practices so far as business is concerned. I am informed that it is standard practice. The figures I am going to use were given to me. I have not checked them for accuracy. For example, as to the automobile industry, when they sell automobiles in Canada at wholesale for about $1,400 it is not unusual for them to offer those same automobiles in Europe for $700 and in some cases for less than that in countries like Australia and New Zealand.

An hon. Member: Have you any evidence to that effect?

Mr. Zaplitny: I have just said that these figures were given to me and that I have not checked them for accuracy. If my hon. friend has evidence to the contrary, I should like to hear it. I will say this without any hesitation. It is the practice of Canadian manufacturers to offer their goods in other countries at prices lower than the prices at which they offer them in Canada. That is the price system which is used for the purpose of meeting competition. In other words the automobile industry as an example, because it enjoys a rather unusual degree of protection in this country, is in a position to sell its products in Canada at prices higher than those at which they are offered elsewhere.

Certainly there is every justification for the grain producers in Canada to request that their product in Canada, for Canadian consumption, command a price which will bear a relationship to other commodity prices within this country. If it is necessary, as a matter of staying in the world market, to offer that same product at a slightly lower price elsewhere, then that is something that may have to be done. But there can be no real argument why the Canadian grain producer should have to offer his product in Canada, for domestic consumption, at a price less than it is worth in relation to other goods and services.

I should also like the government to take into consideration at an early date the question of an investigation into price spreads.

It is about 20 years—in fact it was a little more than 20 years ago—since there was carried out in Canada a price spreads investigation. It was one of the highlights, perhaps, of the economic history of this country. Those who have read the results of that investigation in the report, which is still available, have found a wealth of information. Not all the recommendations that emanated from the report were acted upon, it is true, perhaps because of the rather unfortunate time at which it was published. But the very fact that the price spreads investigation was made, and that it received fairly wide publicity in this country, had its beneficial effect by focusing the attention of the public and of this house on the exploitation, the unfair trade practices and the many other deficiencies in our economic and so-called competitive system. Almost 21 years have gone by, and I think it is high time a similar investigation was made, as thoroughly as it is humanly possible to make it, in order to find out and to let the public know just what is happening to our price system.

I have, for example, a few figures which I obtained from a farmer who took some time off this winter and studied the price spreads in three of the basic grains produced. This material has been carefully checked, and this was the result of his investigation. For example, taking wheat, he discovered that a bushel of top-grade Canadian wheat produced approximately 72·2 per cent of flour and that at current prices the farmer would receive, if you break that down into pounds, anywhere from 1¾ to 2¼ cents per pound for his wheat, depending on the grade, the time at which it was sold and so on. When that wheat is milled into flour, that flour immediately retails at a price of 5¾ cents a pound. Made into bread it immediately brings a price of 13 cents a pound. In other words 100 pounds of flour, which make 129 loaves of bread, would bring this result if it were sold at the regular price. For the bushel of wheat the farmer sold he would receive about 96 cents to $1.25, depending on the grade; but the bread made from that wheat would sell at $7.28.

Even allowing for processing, handling, storing, selling and all other costs involved, that indicates a terrific spread, and an inquiry should be made into it so the producer and the consumer may both know just where the consumer dollar is going and to what extent the producer is receiving the proceeds of his product.

Then he went on to deal with oats and he produced these figures. On the oat prices quoted the farmer may receive anywhere from three-quarters of a cent to a cent for each pound of oats marketed, depending again on the grade and other factors. It is estimated that 55·3 per cent of the content of oats can be turned into what we call rolled oats which are sold for human consumption. That product immediately sells for 19 cents a pound. The farmer receives anywhere from 20 to 52 cents per bushel for his oats, but when they are turned into rolled oats they sell for $3.62 a bushel. This is an enormous spread, and even making allowance for all necessary costs it gives rise to doubts as to whether it is normal procedure.

Then we come to barley, and on the basis of prices as they were at that time it was found that the farmer receives from 50 to 92 cents a bushel for his barley. It is estimated that about 36 pounds of dry malt can be made out of approximately 42 pounds of barley. Immediately the dry malt is worth 12 cents a pound, or a bushel of dry malt would be worth $4.32. If it is turned into liquid malt it is worth $9 instead of $4.32.

An hon. Member: How much of that is taxes?

Mr. Zaplitny: Someone says, "How much of that is taxes?" As I have said, we have to make allowance for all costs that enter into the transaction and we would certainly make allowance for taxes. But having made these allowances, I still think it is a matter which needs some investigation. These figures deal only with three of the grains that are produced. The same thing can be said of a great many other products which seem to become unduly inflated in price somewhere along the line between the time they leave the hands of the producer and the time the consumer receives the benefit of them. I believe it would serve a useful purpose to have a full-scale inquiry into the costs of handling, selling and processing. In other words, we should find out what makes up the price spread between the producer and the consumer. If it is found that there are undue price spreads or that there is undue exploitation, then steps can be taken to correct the situation. I think that in itself would be of great benefit to the producer.

Then there is the question of the Prairie Farm Rehabilitation Act. When I saw on the order paper that the Minister of Agriculture (Mr. Gardiner) was introducing a bill to amend the Prairie Farm Rehabilitation Act I hoped that it would be something fairly comprehensive. I now find that it is a minor amendment. Perhaps the minister has in mind bringing in another bill later this session. Certainly it is time something should be done to accede to the joint request of the

four western provinces. As the Minister of Agriculture well knows, as recently as last year the ministers of agriculture of those provinces had a conference and made a joint request to have the operations of the act extended to cover all agricultural areas in the four western provinces.

I do not want to weary the house by reciting the many difficulties that have been created in the prairie provinces by the last two unusually wet years. Most of us are already aware of them. The minister himself had occasion not many months ago to attend a farmers' meeting in a part of my province where I understood the farmers presented their problems most vividly and at great length. I believe it is time for a move to bring all agricultural areas of the four western provinces under the operation of the Prairie Farm Rehabilitation Act.

It is true that to date the operations under the act have been chiefly concerned with soil and water conservation and related matters; but I think it has been amply proved by experience that there are many other problems, such as drainage, which are getting to the point where they are beyond the capacity of these provinces to handle by themselves. I believe it would greatly assist the prairie farmers if the designated area under the act were extended so the federal Department of Agriculture could undertake the construction of dams, proper drainage systems and other related works which would not only protect land that is normally cultivated but could reclaim much of the land that has been put out of production in recent years due to wet weather.

As part of our agricultural policy I should also like to see the greatest possible effort made to remove trade restrictions. A great deal has been said in this debate about the necessity for international trade. The Prime Minister (Mr. St. Laurent), replying to some of the proposals made by the Acting Leader of the Opposition (Mr. Rowe), had this to say as appears at page 32 of *Hansard* of yesterday:

> Here we all feel that expanding trade is desirable. We feel that it is almost necessary to the prosperity of the Canadian people, but we do not feel that it would be by high tariffs that expanding trade could be achieved in this country.

I agree thoroughly with that statement, but it does not seem to lie well side by side with some of the actions taken by this very government. For example, only last year a bill was passed amending the Customs Act under which a very deliberate attempt was made to restrict imports coming into Canada. I believe that some of the recent difficulties which have arisen between the United States and Canada in relation to trade—difficulties which made it necessary for three of our senior ministers to make a hurried trip to Washington not long ago, the results of which we still have to hear—have arisen by reason of the provocation caused by that very legislation.

That legislation was ostensibly brought into the house as a measure of assistance to the textile industry, which had complained that it was losing much of its trade because of the interference of cheaper goods coming in from other countries. But it became clear very early in the operation of that legislation that it was not particularly aimed at keeping out textile imports. It was an instrument used to raise arbitrarily the invoice value of any manufactured goods which in the opinion of the Minister of National Revenue were or could be considered to be unfair competition for Canadian goods of the same nature. The effect of that has been to create a great deal of uncertainty on both sides of the border. In fact, I would say almost on all sides because, although affecting the United States particularly, it has affected other countries as well. It has created a problem both for the Canadian importer and the United States exporter.

In the past, under the legislation which existed before the amendment, an importer could, by looking at the various tariff schedules of duties, calculate pretty closely what it was going to cost him to bring in goods from the United States. But since that amendment went through and since the Minister of National Revenue was given practically dictatorial powers to arbitrarily set the invoice price of goods which he deemed, in his wisdom, to be in unfair competition with Canadian goods, the Canadian importer as well as the United States exporter has been left in the most unenviable position of not knowing at any time what price they can quote. It has been left to the whim and fancy of the minister, his deputy or his deputy's deputy or some fifteenth assistant in the department to endorse the invoice. That is not a way in which we can promote trade relations with other countries.

I agree thoroughly with the Prime Minister when he said that expanding trade is not going to be accomplished by raising tariffs, but the effect of what the government has done under that legislation has been exactly the opposite, apparently, of what the Prime Minister himself advocated. I am looking forward, Mr. Speaker, to seeing this government change that legislation and go back to the normal procedure under which those who carry on trade may be able to read the act

and follow its implications with some accuracy, rather than be left to the whim or fancy of some official who may have his own ideas.

Now, having said that, I want at this point to say that in order to implement practically all the things I have so far discussed, it seems to me it would be necessary for this government to enter into a certain amount of economic planning. The other day my leader advocated economic planning for this country. It could be seen that hon. members in other parts of the house did not agree. It seems rather strange to me that successful business people, as well as many professional people, who enter into undertakings admitting very freely and very quickly that the greatest degree of planning is necessary in order to be successful, seem to take the opposite attitude when it comes to planning on a national level.

Surely if we are going to carry out those requests which have been made by members speaking from the opposition side of the house, to say nothing of the requests of members speaking from the government side, certainly that will involve economic planning. I believe it should be accepted by this house as an economic fact that in the times in which we live, our problems in the immediate future are not going to be lessened by the fact that we are entering each day farther and farther into the field of technological development and discovery.

The other day I read an article in *Maclean's* magazine, as no doubt many of you did also, dealing with atomic development in Canada. I was astounded, even though I thought I had been following atomic developments in this country fairly closely, to learn how much quiet and unpublicized progress had been made in that field, not only here but in the United States as well. This is true to perhaps an even greater degree in Great Britain, where it is now within the realm of possibility that atomic energy can be used as a source of power for vehicles and in many other ways. We are now entering into a field which could create another industrial revolution in Canada, yet there are those who suggest that we go blindly into that situation without any economic planning at all. They say, leave it to free enterprise.

I am not opposed to free enterprise, and I do not believe anybody in this house really is, within the field in which it can make its greatest contribution. But if this nation has any foresight and vision and wants to take advantage of the latest developments, discoveries and techniques, then certainly we should not make a fetish out of free enterprise and deny ourselves the benefits that can accrue from a little national planning.

In this respect, I should like to refer to a speech made by the Secretary of State (Mr. Pinard), who happened to pay our province a visit last year at the time of the by-election —I beg your pardon; I meant the Minister of Citizenship and Immigration (Mr. Pickersgill). I was referring to him by his former portfolio; perhaps I liked him better in that portfolio.

In any event, he took part in the by-election in Manitoba and in the Winnipeg *Free Press* of November 6, 1954, is reported as having said:

> The phrase "private enterprise" was a "Tory trademark" and Liberals should never use it.

Then he went on to say:

> Private enterprise and public enterprise were both good, "and this country needs a lot of them."

It is this second paragraph with which I agree quite thoroughly. I am not going to comment on the first one because I do not want to enter into a dispute as to who owns the trade mark "private enterprise". Perhaps the most interesting paragraph is the third one, in which he says:

> But the trade mark of the party I belong to is human welfare and without working for this we do not deserve the power of office.

If one were to take those statements together, then I would be inclined to think that certainly at least a portion of the government is not sold altogether on what is commonly known as "private enterprise" and sometimes referred to as free enterprise. It appears that it was a good thing for him to be in rural Manitoba where we are a little more forward looking, perhaps, than some other parts of Canada, and the minister has come to the conclusion that perhaps a little public enterprise is a good thing for Canada too. I congratulate him on it.

As a matter of fact I pointed that out in my letter to the editor of the Winnipeg *Free Press*, and contrasted it with something that was said by the new Minister of Finance (Mr. Harris) only a few days later. The Minister of Citizenship and Immigration seemed to resent it. He apparently thought I was trying to take advantage of what he had said. He did admit in his reply to the newspaper that I did not misquote him. We did agree on that.

The point I am trying to make is this. I believe the old battle that has been going on for quite a long time in Canada as to which "enterprise" is the real enterprise is getting pretty well shopworn and out of date. Let us have enterprise; let us have national enterprise. Let some of it be private enterprise and some public enterprise. Let us not get bogged down in an argument trying to prove there is only one kind of enterprise

that can do anything in this country. Let the government, in order to carry out their policies, use the organized finances and the organized know-how which are available to it, and in co-operation with the provinces work out a system of developing our national resources that will provide the best possible form of social security. After all, that is the hallmark of civilization in any country.

Let us above all develop a certain amount of national pride in accomplishment, not in the narrow jingoistic sense that we feel we are better than any other people on earth, but a real, genuine love of the Canadian soil, an appreciation of the possibilities in our country and a full knowledge that we, as a nation, can go on to greater things regardless of whether they are done on the one hand through public enterprise or on the other hand through private enterprise, so long as they are done for the benefit of the people of Canada.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, at the outset may I add my congratulations to the mover (Mr. Leduc) and seconder (Mr. Carrick) of the address in reply to the speech from the throne. Listening yesterday to the hon. member for Verdun (Mr. Leduc) and noting the ease with which he switched from his native tongue, French, to English, I thought of what I had noted in my first year in the House of Commons; that is, the innate courtesy of those who have been born to the French language. I wondered just how different the proceedings of the House of Commons would be if we, who have been born to the English language, were forced either by the rules or by courtesy to carry on the great bulk of our thinking and of our business in the house in a language different from that to which we were born. So may I add my sincere appreciation not only to the hon. member for Verdun but to all his compatriots in the House of Commons for their unfailing courtesy to us of another tongue.

I rise tonight to speak almost entirely on the question of war veterans allowances. I am not trying to gloss over the importance of unemployment in this country, because I do believe it is a serious matter. It is a matter about which every intelligent person in this whole country should feel deep concern, and I know that deep concern is felt most certainly by every member on this side of the house. However, I intend to reserve anything I have to say on that subject until we have before us the actual and final proposals of the government to deal with that particular question.

I want to speak tonight about war veterans allowances particularly because on the last day I was here last spring I had to express in the most forthright terms of which I was capable my disappointment because we did not get at the last session of parliament an increase in the war veterans alowances along the general lines that had been recommended in the Canadian Legion brief, and which had been advocated in this house, as was so well pointed out by the gracious lady who decorates the house in more ways than one, namely the hon. member for Halton (Miss Bennett). She described how all members of all parties in the house had given her a thrill by standing up to advocate a fair deal for those people receiving war veterans allowances, and it certainly was an inspiration for me last year to see how party lines were forgotten.

I think the hon. member who had the honour of first speaking out on this subject was my very good and old friend, the smiling member for Kootenay West (Mr. Herridge). And I know very well, as the Acting Leader of the Opposition (Mr. Rowe) said yesterday, that the veteran member for Royal (Mr. Brooks) waged a doughty battle on that subject last year. The same is true of members from all parties, including the hon. member for Acadia (Mr. Quelch), as well as a great many members on this side of the house.

I was doubly thrilled because one of the reasons I had to leave the house a few days before the end of the last session was to go home to attend, shall we say, an indignation meeting of about six or seven hundred irate veterans—and irate veterans' wives, who are doubly irate—who were very much concerned about this matter of war veterans allowances and what they thought was an undue delay on the part of the government in giving them what they considered was their due. I had to do some very frank talking. I had to tell them that, so far as we on this side of the house were concerned—and I was sure it was also true of others in all parts of the house—we would continue to do our level best to see that those in Canada entitled to war veterans allowances got their just due at the earliest possible moment.

But I say, Mr. Speaker, that I have been doubly thrilled by recent developments. During the summer months it became clear that the new Minister of Finance (Mr. Harris) would not have available to him this year the comfortable surplus that has enabled this government to pay off over two billion dollars of our national debt in the last seven years. It became clear that for the first time in many years the minister would be faced with a deficit. In the light of these circumstances it gave me a double thrill to note that, notwithstanding these facts, the government yielded to the strong representations

made to it from all sides of the house, and we are now assured that the war veterans of Canada are going to get their due by way of increased war veterans allowances and raised ceilings.

I am glad to see, too, that at last we have abandoned what I thought was a very foolish argument, namely that the war veterans allowance is just another type of old age pension. We know perfectly well that during the course of debate, when people are fighting for some great social reform, all sorts of arguments are advanced from all sides of the house, and they are advanced to achieve certain results. But it seems to me it would be a most unsound principle permanently to tie war veterans allowances to the general old age security and old age assistance scheme in Canada. Certainly if we believe in honouring our debts—and I believe every member in the house would honour his debts—we must look with great disfavour on any repudiation of any of the debts of Canada. And surely the debt we should honour most is the debt to our own war veterans, who bore the brunt for this country in time of need.

I received an extra thrill this year in seeing Canada step once again into the forefront in the matter of veterans' welfare legislation. It was one of my responsibilities this past summer, as I have no doubt it was the responsibility of many other members, to take up certain pension complaint cases with the British ministry of pensions. When I have had occasion to look into the British veterans' legislation I have been more impressed than ever with the fact that Canada's veterans welfare legislation is the finest in the world, and that we take second seat to none. And, due to the fact that it has received constant support from all sides of the house all down through the years, once again we take our position in the front rank in our treatment of those who stood in the front line for us in time of need.

This afternoon we had a little bit of advice from my good friend the hon. member for Winnipeg North Centre (Mr. Knowles) about how we should talk to our Minister of Veterans Affairs (Mr. Lapointe)—if necessary, behind the curtains—if what was going to be done was not all we had hoped it would be. Well, of course, we have no way of knowing from the cabinet what is going to be done. I remember Lloyd George once said that there were never any cabinet secrets, because every cabinet minister he had ever known, except one, told the cabinet secrets to his wife, and the one exception told them to other men's wives. So it was suggested that the way to find out any cabinet secret was to send your wife around to the wife of a cabinet minister, and you would soon find out what happened.

But I am afraid we have a very clammy lot in our cabinet. We cannot find out a single, solitary secret. But may I tell my hon. friend from Winnipeg North Centre that, far from having to take the Minister of Veterans Affairs behind the curtains to prod him on to greater efforts for the war veterans of Canada, the shoe is very definitely on the other foot. When the time comes to reveal the story of the fight for fairness to the war veterans of Canada, far from having the present Minister of Veterans Affairs lag in that regard, we will find that he has been in the very front rank of the fight from first to last.

May I say, Mr. Speaker, that we have had many great ministers of veterans affairs in this country from the days when we first got the war veterans allowance. We had that beloved dean of the house, the present hon. member for Quebec South (Mr. Power), a great friend of the war veterans of Canada. Later on we had that great Scotsman, who stood up like a great highland granite mountain in his championship of the rights of the veterans of Canada. Still later we had our present Minister of Labour (Mr. Gregg), who I sometimes think might even wish that he was back where he was before, but who takes second place to none in his steadfast championship of the rights of the veterans of Canada. May I say, Mr. Speaker, never within my knowledge or within my lifetime has there been a greater champion of the rights of the veterans of Canada than the present Minister of Veterans Affairs.

I think I am a pretty good-natured person. I was brought up in a family of 13 children, so I had to learn to be good-natured at a very early age and I hardly ever get really mad. But when I went home at one time this year I shall confess that I got really mad, and that was when some of my own compatriots from British Columbia said they were going to walk out of a certain convention because the Minister of Veterans Affairs had not championed the rights of the veterans with sufficient aggressiveness in the house. That really did burn me up, because I knew the true story of the fight he had waged at times when it was most difficult to wage it.

If you will forgive me, Mr. Speaker, may I say this. It is sometimes not an unmixed blessing to be the son of a very great personage. Sometimes when one is the son of a very great personage people are inclined to attribute his good qualities entirely to heredity. May I say that for my part, as one

who has long been concerned about the welfare of the veterans in Canada I honour the present Minister of Veterans Affairs because he is the son of a very great Liberal statesman; but may I say with even more emphasis that I honour the present Minister of Veterans Affairs because of his own personality and because of the fact that in the truest sense of the word he has won his own spurs without help from anyone.

May I just tidy up that part of my speech by saying that while I did go home last year feeling a very real disappointment because we had not been able to get through an increase in the war veterans allowance and the lifting of the ceiling at the last session, I feel doubly gratified now.

While I am passing out compliments, for just a minute may I offer an especial compliment to the Acting Leader of the Opposition (Mr. Rowe), for his truly remarkable performance of yesterday. I must say that for very many years I have had a warm spot in my heart for the present Acting Leader of the Opposition, because I was born and brought up in the heart of old Tory Ontario, and I have a great, deep and abiding respect for a real, good old-fashioned Ontario Tory. I always know exactly where a real, good, old Ontario Tory stands; so I was not the least bit surprised yesterday when he gave this house that hour of, shall I say, education, mixed with amusement, because our friend the Acting Leader of the Opposition has that great attribute, that great quality of character. He is able to get us all laughing with him, and he is a big enough man to laugh with us all and at times even to laugh at himself and enjoy the laugh, and that is one of my measurements of a big man.

But much to my astonishment the *pièce de résistance* of the speech of the Acting Leader of the Opposition came yesterday not, shall I say, in the characteristic form that one might expect from a good old-fashioned Ontario Tory, an expert on horses; it came in the form that I have been led to expect sometimes even in letters from my wife. I always find in letters from my wife there may be one or two pages; and then at the end there will be a p.s., and the whole thing she had to say in the letter was said in that last p.s. Therefore much to my astonishment yesterday, after I had listened to an hour of mixed enlightenment and amusement from the Acting Leader of the Opposition, I heard him read out the six points in the amendment to the motion for an address in reply to the speech from the throne. I found a real bombshell in point No. 6. Without any notification whatsoever to the good old Conservative party of Canada the Acting Leader of the Opposition of the day committed his party, on the spur of the moment in the last point, point six, the p.s., to national health insurance. When I heard that my heart beat with joy, my cup of jubilation really ran over.

I remember Adlai Stevenson's witty wisecrack in the last election. He was talking about General Eisenhower attempting to drag the Republicans screaming into the twentieth century. The Acting Leader of the Opposition very clearly did not attempt to drag the Conservative party of Canada screaming into the second half of the twentieth century because he very astutely did not give them any advance notice of what was going to be in point six, or the p.s., of his amendment.

When I saw his remarkable feat of agility, for some reason or other I had to think of the last time I was at the circus. I thought our friend gave an even more remarkable performance than the high diver I saw there. When I went to the circus I saw the performer walk up to that little pint-sized swimming pool. He looked at the big ladder and started to climb it. He climbed hundreds of feet and stood on a little board and dived and came right down into the swimming pool.

May I say, Mr. Speaker, that the Acting Leader of the Opposition gave an even more remarkable performance. He landed in the swimming pool with the whole Conservative party, but he did not climb the ladder and therefore no one had a chance to see what was coming off.

May I say also that when I heard the mixed laughter and cheers I felt just a wee bit sorry for my good friend the leader of the C.C.F. party (Mr. Coldwell) because he seemed to me for just a moment to be like one of those fellows who went to swim in English bay at Vancouver on New Year's day. As he was just about to take the plunge somebody got away with his swimming trunks and for a moment he was in a rather embarrassing predicament. So for a moment yesterday the leader of the C.C.F. party seemed to be in just a little bit of an embarrassing predicament for fear the Tories had at last got away with his swimming trunks, and he was not just quite sure how to proceed.

May I say without any attempt at being facetious or witty just how glad all of us are on this side of the house who have always believed in the principle of national health insurance and who also believe in the principle of "not swift nor slow to change but in its season to bring the law". May I express

the true hope that the smiling, genial, and highly respected Acting Leader of the Opposition (Mr. Rowe) will still be around when our Prime Minister rounds out the final blueprint which was laid down in 1919 by the great Mackenzie King and we finally wind up the finest welfare state on earth with a national health insurance scheme. I am quite sure that the day after the Prime Minister brings in our national health insurance scheme we will all be ready to give a share of the credit to the Acting Leader of the Opposition for having seen the light in 1955.

Mr. A. M. Fraser (St. John's East): Mr. Speaker, in rising to take part in this debate I should like first of all to avail myself of the opportunity of congratulating most heartily the hon. member for Verdun (Mr. Leduc) and the hon. member for Trinity (Mr. Carrick), the mover and seconder of the address in reply to the speech from the throne. I am sure that all hon. members of the house were impressed with the excellence of their speeches. I believe you will agree with me that as long as young men of their calibre continue to offer themselves for election to this house, parliamentary democracy in Canada is assured.

I should like also to congratulate the right hon. Prime Minister and the government upon the farsighted and comprehensive policies, both domestic and foreign, which they have outlined in the speech from the throne. First of all I should like to reflect for a moment or two upon some of the aspects of external policy there envisaged.

I am sure the house will agree that in the realm of external policy paramount importance must be attached to the government's decision to ask parliament to ratify the Paris and London agreements. I am well aware that these agreements are to come up for debate in about a week's time and many of us are looking forward to participating in that debate. However, I urge the great importance of these agreements as a reason why I cannot refrain from addressing myself to them to some extent this evening.

As the house knows, these agreements provide for the restoration of sovereignty to West Germany, for the rearming of West Germany, and for her inclusion in both the west European union and the North Atlantic Treaty Organization. We are aware also that the chief architect of these agreements was Sir Anthony Eden, the British foreign secretary. When the EDC project collapsed as a result of the failure of the French national assembly to ratify the EDC treaty it was he who found a workable substitute. He found it, as it were, in a wedding of the Brussels treaty with the North Atlantic Treaty Organization. I feel that the free world owes a great debt to his brilliant initiative and superb statesmanship.

Like every hon. member of the house, I am sure, I approach the subject of German rearmament with very mixed feelings. This is a subject which arouses in every one of us grave misgivings. I think we can understand only too well the attitude of France. We know that France rejected the EDC treaty and showed a great deal of reluctance to agree to the inclusion of Germany in NATO. This is readily understandable. As we know, France has suffered the humiliation of German occupation three times in the course of the last 80 years or so, and each of those occupations was more humiliating than the previous one. Yet the French national assembly has decided to ratify that treaty.

The choice with which we are faced is not, I think, between a Germany rearmed and a Germany disarmed. The real choice is between a Germany rearmed within an international framework of control as proposed in these agreements and a Germany rearmed without controls.

Along with other hon. members I am looking forward to the statement we shall hear from the Secretary of State for External Affairs (Mr. Pearson) when he expounds these agreements to the house. We know we will find a great deal of assistance and guidance in that exposition and in the skill and knowledge which he has brought to this and other subjects, both here and abroad at international conferences where he has represented Canada with such distinction and has added great lustre to the prestige of this country.

I turn now to the internal features of the speech from the throne. We are all much concerned with the problem of unemployment. Many speakers have referred to this serious situation, and I am glad to note that in the speech from the throne the government has put forward proposals to deal with this situation. I find in the speech from the throne a constructive and positive approach to that problem. It is a twofold approach.

First of all there is proposed an expanded public works program, designed to take up the slack in private industry. I note with satisfaction that it is the intention of the government to apply this program in all ten provinces. It will be welcomed in my own province of Newfoundland and in the riding of St. John's East, which I have the honour to represent. There, as in other constituencies right across this great country, there are

opportunities for the useful expenditure of public funds on practical objectives which will not only assist in coping with the problem of unemployment but will provide public works of permanent value to the communities concerned. There are several which I may suggest need to be attended to in my own riding of St. John's East. The federal departments in St. John's are seriously congested. Their present space is inadequate and there is an urgent need there for the construction of a new federal building to house the customs and various other departments. I would offer as a constructive suggestion that this might well form one of the projects of a public works program.

On an earlier occasion I referred in this house to the great need for an armoury at St. John's one which would be worthy of the great traditions and the splendid renown of the Royal Newfoundland Regiment, which traditions have been proudly maintained by the 59th regiment and the 166th regiment in the second world war and by the other fighting forces from Newfoundland.

I should also like to refer to the situation which at present exists at Torbay airport near St. John's. Torbay is the eastern terminal of Trans-Canada Air Lines. I regret to say that the terminal facilities there have become inadequate to cope with the growing volume of traffic which uses these facilities. There is need for enlargement of the terminal building, and in particular there is need for the inclusion in the plans of a canteen which will provide meals for passengers, many of whom arrive on flights at a late hour at night or in the early hours of the morning. The vagaries of climate in Newfoundland often lead to cancellation and postponement of flights, and this situation in turn aggravates the congestion of the terminal facilities at Torbay. There have been cases where passengers have not even had standing room in the terminal. I would therefore respectfully urge that attention be given to this matter. I am glad to note that it is the intention to proceed, as soon as possible in the spring, with the paving of the road connecting the provincial highway with the airport itself.

While I am on the subject of air facilities permit me to refer to the need for an air strip on Bell island. Bell island requires an air strip particularly in winter and early spring because it is frequently isolated then, by heavy seas and ice conditions, from Portugal Cove on the mainland of the Avalon peninsula. Moreover, an air strip on Bell island would form a most useful alternate for the terminal at Torbay in an emergency.

I should like to mention also the great advantages that would be derived from accepting the offer of the provincial government to establish the Signal Hill area at St. John's as a national historic park, but since this is the subject of a notice of motion which I have tabled I shall reserve my detailed remarks on that matter until later.

In my riding, as in all ridings in Newfoundland, there is need for marine works. I would refer particularly to the request which has been made to me for new wharves at Holyrood and Collier's. These are some of the fields in which, I think, the government would find opportunities to develop its policy of extension of public works projects and at the same time provide services of permanent usefulness to the communities in question. This is one angle from which the government proposes to deal with the problem of unemployment.

The other part of the approach, or the other line of main attack, is the proposal to amend the Unemployment Insurance Act. Like all other members of the house, I heartily endorse this forward-looking measure. In doing so, may I be allowed to express the hope that when amendments are introduced to the Unemployment Insurance Act, its scope may be broadened sufficiently to include all classes of fishermen. Many of our fishermen in Newfoundland, and I expect in other provinces as well, are in a special category not only because their employment is so largely seasonal but partly because in Newfoundland, at any rate, so many of them are self-employed. As such they are not eligible under the present scheme, and the situation arises where those in one section of the population engaged in the fishing industry, namely those in the processing plants, are employed and receive wages while others, namely the men who go down to the sea in ships and face the hazards of wind and wave, are not eligible. Those are great hazards, as we have been reminded by two events very recently, the loss of the Newfoundland fishing vessel *Student Prince* and the terrible storms—the worst storms on record—which have been lashing the shores of Newfoundland for the last day or two, especially in my own riding of St. John's and many parts of Conception bay. I should like to take this opportunity to express my sincere sympathy to those who have lost valuable property in those heavy seas.

As I was saying, there is this unhappy contrast between those two classes engaged in the production of fish, namely those on land in the processing plants who are therefore eligible for unemployment insurance,

and those fishermen who are self-employed and who go down to the sea and fish, and who are not eligible. That seems to me an anomaly which cries out for correction. I know it is a matter which is being given serious and sympathetic study by the government and by various departments. Although I know the very real difficulties of the problem, I trust that some method will be found of broadening the scope of the act so as to provide for the inclusion of the fishermen. This is a very important matter to us in all parts of the island, for anything which benefits our fishermen benefits all of us.

I am confident, Mr. Speaker, that the measures the government has forecast in the speech from the throne will enable us to meet the problems which this great nation faces, both at home and abroad, with greater strength and a greater chance of success. Finally, I should like to emphasize once again how confident I am that this great country will go on from strength to strength.

On motion of Mr. Croll the debate was adjourned.

On motion of Mr. Howe (Port Arthur) the house adjourned at 9.45 p.m.

HOUSE OF COMMONS

Wednesday, January 12, 1955

The house met at 2.30 p.m.

DISABLED PERSONS

ALLEGED DIFFICULTY IN OBTAINING APPLICATION FORMS IN BRITISH COLUMBIA

On the orders of the day:

Mr. Elmore Philpott (Vancouver South): I should like to direct a question to the Minister of National Health and Welfare. Is the minister aware that some persons in British Columbia are complaining that they cannot yet obtain the application forms for disabled persons' pensions from the offices of the government of British Columbia? Has the minister received any word from the government of British Columbia as to when application forms will be issued, and is the situation in British Columbia in this regard different from that prevailing in the rest of the country?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, the hon. member gave me notice of his intention to ask pretty much the question which he has now put. On November 18 a draft agreement under the Disabled Persons Act was sent to the province of British Columbia and the agreement has not yet been returned. As soon as it is we will give the matter our immediate attention and the province will be in a position, in accordance with its own law, to carry out the act in such a manner as to provide pensions under this act for the citizens of British Columbia.

Mr. Low: How many provinces thus far have returned the draft agreement?

Mr. Martin: As of this date only one agreement has been completed, that with the province of New Brunswick. The provinces of Saskatchewan, Nova Scotia and Alberta have signed agreements. These are now being processed at this end, and in a very few days they should be completed. In the case of Prince Edward Island an interim form of agreement has been signed and returned by the provincial minister. The government of Prince Edward Island proposes to pass legislation at the forthcoming session of the legislature to make this agreement effective. In the meantime we have asked for its proposed scheme of administration, which is necessary under the act.

In the case of the provinces of Newfoundland, Ontario, Manitoba and British Columbia draft agreements were sent on November 18, as I indicated a moment ago in the case of British Columbia. The replies have not all reached us yet. In the case of the province of Quebec a draft agreement was sent to the provincial government on November 18. We are now awaiting the return of the signed agreement from this province.

CANADIAN NATIONAL RAILWAYS

CESSATION OF LAY-OFFS AND REINSTATEMENT OF THOSE ALREADY LAID OFF

On the orders of the day:

Hon. George C. Marler (Minister of Transport): On Monday last the hon. member for Winnipeg North Centre (Mr. Knowles) asked whether I could give the assurance that we are at the end of lay-offs by the Canadian National Railways, and if I could say how soon those laid off in recent months would be reinstated. I should like to reply to the hon. member. The management of the railway informs me that reductions in working forces have been a necessary consequence of the general decline in traffic and that the volume of traffic determines in a very large measure how many persons the railway can employ. Because a general increase in traffic depends on such economic factors as industrial production and trade, it is not possible to say when an improvement in traffic conditions will justify the reinstatement of those whom it has been necessary to lay off.

PROPOSED LEASE OF NEW HOTEL IN MONTREAL

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Prime Minister. Has the Prime Minister or any of his colleagues received a protest from the hotel association of Canada respecting the proposed lease of the new Canadian National Railways hotel in Montreal?

Right Hon. L. S. St. Laurent (Prime Minister): I shall have to take the hon. gentleman's question as notice because I do not think I have received any, but his question goes farther than that. I shall have to make inquiries.

Inquiries of the Ministry

TRANS-CANADA AIR LINES

REFERENCE TO REPORTS OF NEAR ACCIDENTS

On the orders of the day:

Hon. George C. Marler (Minister of Transport): Mr. Speaker, on reading in *Hansard* the question asked me yesterday by the hon. member for Kamloops (Mr. Fulton) I noted that my reply to him might be misunderstood. I thought that he was referring to complaints of the Canadian air pilots association recently mentioned in the press, but I now note that he was referring to reports made by pilots of Trans-Canada Air Lines. I should like to add that on making further inquiries I have learned that reports from Trans-Canada Air Lines pilots and other pilots, both civil and military, have been received from time to time and in each case have been promptly investigated by the department or agency concerned.

[*Later:*]

Mr. E. D. Fulton (Kamloops): I should like to ask the Minister of Transport a further question with reference to the matters to which he referred just now and that is whether, in the light of what he has said, namely that these incidents have been reported, and in the light of a report of a statement by an official of his own department which appeared in a Canadian Press dispatch yesterday, the minister will make a statement concerning the adequacy of the present regulations to be followed by R.C.A.F. planes where they are located in proximity to commercial air lines?

Mr. Marler: I think, Mr. Speaker, it would be inopportune for me to make such a statement at this time. I had thought that possibly the question might be reviewed more fully and discussed when the estimates of my department came before the house, but I shall be glad to consider the desirability of making an earlier statement on the subject.

WOVEN WOOLLEN GOODS

TARIFF BOARD INVESTIGATION
—INQUIRY AS TO REPORT

On the orders of the day:

Hon. W. Earl Rowe (Acting Leader of the Opposition): I should like to direct a question to the Minister of Finance. Has the minister received the report of the tariff board following its inquiry into woven woollen goods coming under tariff item 554b?

Hon. W. E. Harris (Minister of Finance): No, Mr. Speaker, I have not received the report. I understand it will be a matter of three or four weeks yet before it is available.

[Mr. St. Laurent.]

STORMS

GOVERNMENT ACTION IN CONNECTION WITH DAMAGE IN NEWFOUNDLAND

On the orders of the day:

Mr. J. A. Power (St. John's West): Will the Minister of Public Works say what steps will be taken to repair the damage caused by a recent severe storm in Newfoundland?

Hon. Robert H. Winters (Minister of Public Works): I understand, Mr. Speaker, that most of the damage caused was by the action of the sea in this recent storm. We are in touch with our district engineer, and any damage to federal properties will be repaired as quickly as possible. To the best of my knowledge no detailed reports of damage to private property have been received by the federal government. I would think that they would be considered locally in the first instance. If and when they reach the federal government they will be given every consideration.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, January 11, consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Rowe, and the amendment to the amendment of Mr. Coldwell.

Mr. David A. Croll (Spadina): May I first join in congratulating the mover (Mr. Leduc) and seconder (Mr. Carrick) of the address. They are both young men of great promise who acquitted themselves well and made a great impression in the house. In time they will, I believe, leave their mark on Canadian public life.

The speech from the throne has in it one paragraph of particular interest to the Canadian people, which should be discussed at some length. I have reference to the following, and I quote:

> The National Housing Act, 1954, enacted early in the last session, which authorized lower down-payments and larger loans, and which enabled the chartered banks for the first time to make loans on the security of residential mortgages, has been an important factor in stimulating the construction of a record number of houses in the past year. The prospects are favourable for a high level of house building in 1955.

Originally I had intended to speak of the great achievement of the department, but the full statistics are not yet available. If other members do not exhaust this subject during the course of the debate I intend later to

latch on to the omnibus amendment and review the accomplishments indicated in that particular part of the address.

There is another part of the address which is of immediate concern and will be of benefit to the Canadian people. It reads as follows:

It is proposed to bring into general operation on the first of February the provision of the act under which loans may be made for home improvements. In accordance with an undertaking given at the last session, this section was proclaimed for small holders under the Veterans' Land Act with effect from the first of this year.

The proclamation of the home improvement section of the housing act on the first of February is indeed a commendable step, and particularly welcome at this time when it is more likely to be fruitful by reason of the participation of the banks in making funds available. This section could lead to opportunities for the improvement and modernization of homes all across Canada. I take this first opportunity to emphasize that the Canadian people are initially and vitally concerned with the number of new homes erected rather than with those that have new bathtubs or new garages, important as they certainly are. The emphasis must remain on new homes. We cannot afford to be diverted from our ultimate objective to continue to set housing records year after year. I just indicate to the house that loans under the home improvement section will carry a government insurance guarantee to the banks and other approved lenders, and the borrower will pay a 1 per cent premium.

Today I intend to direct my remarks to what I consider to be an inequality which now exists under the act and which, in my view, should be corrected at a very early date. Those who are intimately acquainted with the National Housing Act will know that it was based on one primary assumption, that it is in the public interest for as many Canadians as possible in the middle and lower income groups to own their own homes. The act is not very much concerned with people who can go out and buy their homes in the open market, make a large down payment and arrange their own financing privately. It is primarily designed to help the 52 per cent of Canadians who, according to the dominion bureau of statistics, earn less than $3,000 a year.

The National Housing Act has encouraged the building and owning of lower cost homes by the following method: Lower interest rates and subsidization; lower down payments and longer amortization periods; standardization of design in order to reduce costs; making mortgage money easily available. As a direct result of the housing legislation passed at the last session of parliament mortgage money has become available at every whistle stop in Canada wherever the banks have outlets, and there are more than 4,000 of them. Indeed, this particular act has made it possible for more Canadians than ever to own their own homes. It has succeeded where private industry has failed. I think it is important that we do not let the act rest on its laurels. It must be continually revised and improved in the light of changing conditions.

One revision which I believe should be seriously considered now is a means whereby the home owner's basic equity, and by that I mean his down payment, can be protected against personal reverses. Let me elaborate for a moment. Let us consider the position of the average prospective home owner under the National Housing Act. He is a worker who, on the national average, is earning about $3,000 a year. Depending upon where he is living, he may be earning slightly more or slightly less than that amount. In my own province of Ontario he is earning $62.58 a week or just over $3,300, which is just above the minimum requirements under the present act.

In order to buy a home under the National Housing Act this average Canadian must make a down payment of at least $1,500, or one-half of his annual income. I am using the $10,000 home as an example, but there are homes being built in Ontario under the National Housing Act for less than $10,000—and they are being sold for less than that.

Mr. Fleming: Mostly more than that.

Mr. Croll: Yes.

Mr. Fleming: In most cases the cost is more than that.

Mr. Croll: If the owner has been lucky he may have been able to save the amount of the down payment out of his earnings. Chances are that he may have to go out and borrow some of the money from his friends in order to make the down payment. In many instances that down payment represents the family savings. In any case it is probably all the money he has in the world, and he is investing in the biggest and most important purchase in all his life.

Let us not underestimate the seriousness of the step that man is taking. We can be sure that he is carefully considering all the probabilities. He will consider that he is investing his life savings in a new home, and he will realize that, later, if some unexpected contingency should arise he will have no reserves with which to meet the occasion. That is something that makes him stop and think. He will consider whether his present and his potential earnings are adequate to carry the mortgage of $8,500 or more, together with

taxes, heating, and all the upkeep of a home, including furnishings. He will give consideration to what might happen if he should become sick or unemployed, or if he should die before the mortgage obligation is fully discharged. Naturally he will want desperately to be able to pay off his home, and he expects that he will do so. But at the same time he must consider what is going to happen if he fails to keep up his payments. If he is over 40 he will remember the foreclosures and the tax sales of the thirties, and he will wonder whether it cannot happen again.

These are surely some of the thoughts that will run through his mind as he prepares to invest his hard-earned $1,500 or more in a home. He hopes he will be able to protect his investment. He hopes he will be able to make his payments, and he wonders what will happen if he cannot.

I believe it is the duty of the government, which is encouraging him to invest his all in a national housing home, to offer him a measure of protection. At the present time the government is protecting lending institutions by insuring the amount of the mortgage. With that I am in full accord and agreement. You can believe me that the lending institution, with its funds spread over thousands of investments, and secured in each case by property, is far less in need of protection than the national housing owner, who has all his eggs in one basket.

At the present time, and quite properly, the government protects the national housing mortgagee, and it is my view that it should protect the national housing owner, at least to the extent of his initial down payment. Every owner is far more vulnerable than the lending institution. No matter what happens the lending institution cannot lose. In the event of a foreclosure it will look first to the property, and then to the government for repayment. But the owner may very well be wiped out.

That is the situation that needs a remedy. Under the act the owner should be assured that if he is unable to keep up his payments, his basic equity of $1,500 or more, which is his down payment, will be protected under all circumstances, including the mortgage covenant, subject to certain limitations.

So far as the mechanics are concerned, it is no more difficult to strike a premium rate for the down payment, which I call equity insurance, than it was to strike a premium rate for the mortgage insurance. We had no previous experience when we fixed the 2 per cent premium rate on the mortgage. I am sure the same actuaries who fixed the rate on the guaranteed mortgages could fix the rate on equity insurance. It should be 2 per cent, the same rate that applies to the mortgage.

I informed the house earlier that the rate was 1 per cent on home improvement loans made without mortgage security. If we used the 2 per cent figure—and it could be somewhat higher, or possibly lower—it would mean that for a premium of $30 on a down payment of $1,500 or $40 on a down payment of $2,000 the owner's equity would be fully insured. Then, in the event of default under the mortgage resulting in a foreclosure, the owner would have his basic equity returned —instead of being frozen out, as would most likely happen in the case of a foreclosure.

Obviously there would have to be safeguards against fraud and bad faith. The purpose of basic equity insurance would be to protect the owner, if he found it impossible to carry on. It would not be intended to let him skin out of a deal the next day simply because he changed his mind.

Government departments have had considerable experience in the insurance field, and I would expect regulations imposing conditions having regard to the element of time, the possibility of the death of the owner, of transferability, as well as a limit of the liability in the early stages. But if an owner meets these conditions and cannot keep up his payments, and foreclosure follows, he would be entitled then to the return of his basic equity, which was his original down payment, for which he has already paid an insurance premium. I strongly urge the government to introduce an amendment to cover such a situation.

It will first and foremost give security to the person who needs it most, namely, the home owner, who has a small equity and a good sized mortgage.

Mr. Fraser (Peterborough): Does the hon. member recall the answer the Minister of Public Works (Mr. Winters) gave to the question I asked along that line last year? He said that he would give sympathetic consideration, but sympathy will not pay the owner.

Mr. Croll: I am hoping for better luck than the hon. member had.

Mr. Fraser (Peterborough): I hope you get it. You are on the other side of the house; you may get it.

Mr. Croll: Don't try to get into this act; make your own speech.

As I have said, it seems highly incongruous to protect the lending institutions and not protect the owner. Both are making an investment in the same property at the same

time. If one is insured the other should be insured also. Under the act the owner pays a premium for the mortgage insurance. I see no reason why we should not extend the same protection to the home owner that we are prepared to give, and actually do give as a matter of course, to the lending institution. Both make an investment. One is protected fully, the other is not. I think it is no more than justice that the protection that we give to our lending institutions should be extended in a limited and a substantial form to the Canadians who make purchases under the National Housing Act.

It will not cost the Canadian taxpayers a penny, but it would encourage home ownership and possibly bring about larger down payments. It would remove the hazard to which too many of our people have been vulnerable in the past. I am convinced that such a plan would greatly stimulate national house building and home ownership, and avoid future bitterness.

Mortgage insurance removed the very last reluctance of the lending institutions to advance money on national housing mortgages. Equity insurance would have the same effect on the prospective owner. If both the lending institutions and the owner are to be insured against loss within the limits I have suggested, or within other reasonable limits, then I anticipate an immediate upswing in construction, with attendant benefits throughout our economy, with particular emphasis on employment, and, what is equally important, home ownership.

Equity insurance would put the little home owner on the same footing as the lending institutions, and it would give him protection and security at a price he can afford to pay. It would keep the little man from being seriously hurt in any economic squeeze play. He would know that no matter what happened to him the original stake would be secure. This an economic hurricane could not wash away. He asks the right to share the economic umbrella which he is now providing for the lending institutions.

Let there be no misunderstanding about one thing. I am not suggesting that the government should give anybody a handout. What I am proposing is a proper insurance scheme based on sound actuarial principles, as sound as those applied when they fixed the premium rate of 2 per cent on the mortgage. I am expecting that the owner will pay for his own protection.

By paying a premium into a government fund he could provide that protection, as he does now for the lending institutions, without benefit of government subsidy. His down payment on his home could never be lost through foreclosure. Nor am I anticipating for one moment that we are going to see a spate of foreclosures in the future. I sincerely believe that our economy is basically sound enough to weather whatever may be ahead. But in the lifetime of most of us in this house we have seen thousands of our citizens lose everything they have put into a house. The great depression of the 1930's forced us to realize that ownership of a home had in it an element of gamble; that a man and his family could find themselves on the street without a cent to show for years of saving.

It may be that what I propose and call equity insurance will remain a protection against a danger that may never occur. That is the way we would all want it to be. But we do not know. The storekeeper who protects his plate glass window by insurance does not expect it to be broken. Should it happen, it becomes little more than a temporary inconvenience. I feel it is a wise and prudent thing to insure against the possibility of loss. We would be more than foolish to bury our heads in the sand and leave the future to chance, when we do not need to do so. That is one of the reasons we established an unemployment insurance fund back in 1941. We were not expecting unemployment within the forseeable future. We did feel that in any economy there is always the possibility of some unemployment, and we set out to insure against that.

I want this house to believe that I am not attempting to sell the government a bill of goods. You know, I have not been very good at that. Nor am I enticing them down a blind alley. That would not be wise or politically profitable. I am suggesting that in line with the undertakings in the public interest, which the government has so well assumed and carried out in the past in the field of insurance, they might very well apply their experience and knowledge to this problem.

It would be profitable if I enumerated some of the insurance undertakings of this government. I have already spoken of unemployment insurance. It has been very successful. We have export credit insurance. Some members may know about that. They are doing a land office business. Their purpose is:

> The corporation may, for the purpose of facilitating and developing trade between Canada and any other country, enter into a contract of insurance with an exporter to insure him against any risk of loss in connection with the export or an agreement for the export of goods by reason of the failure of the exporter, for any cause not avoidable by the exporter, to recover the selling price of the goods.

Hon. members will recall that at the last session we increased the capitalization of the export credit insurance corporation from $5 million to $15 million. We have the Prairie Farm Assistance Act which, though limited in scope, is insurance against the hazard of drought. Last session we passed the National Housing Act, which provided insurance for mortgages and rental insurance. I am sure the house will be interested to know that the banks have loaned nearly $115 million in less than six months. We have had proclaimed the home improvement section, which also has in it an element of insurance. I am sure no hon. member has forgotten the Public Service Insurance Act with which we grappled last session and which provided for certain death benefits. This act affects thousands of civil servants.

Hon. members may be less aware that we are also in the marine insurance business. The very able and energetic minister did not let grass grow under his feet when he took over the ministry of fisheries. As early as July, 1953, provision was made for the insuring of fishing vessels valued at from $250 to $7,500. A total of 1,200 policies were purchased in Newfoundland, 250 in Quebec and 351 in British Columbia, covering 2,300 boats with a value of over $3,500,000. This is the result of the last eighteen months' operation and it is expected that this total will increase to $10,000,000. The insurance provides full coverage, but what is more interesting is that this insurance provided by the Department of Fisheries costs only 1·6 per cent as against the commercial rate of 5 per cent and up. I say that in praise of the minister but also to indicate to the house that we are not novices in this sort of thing that I am talking about.

All I am proposing is that we deal in the very same way with the problem of equity insurance because it is inevitable that some home owners will fall by the wayside in the foreseeable future and the only sensible thing to do is to spread the loss across the board by an insurance scheme. In that way no one will be hurt by circumstances beyond his control, and home ownership will be encouraged. Mortgage insurance is now compulsory under the act. Equity insurance would have to be compulsory also, since it could not work otherwise.

I do not make this proposal lightly. I realize that there are a great number of administrative difficulties. It may be the course of wisdom at the beginning not to insure the full down payment. In some circumstances that could be interpreted as insuring the owner against his own folly. Serious consideration would have to be given to a time lapse to avoid fraud and bad faith.

There will be other questions that will arise in your minds, but I suggest that it is administratively possible to draw up regulations to meet all conditions. This government has wrestled with far more difficult problems and has solved them to the lasting benefit of the Canadian people. I ask that the government give consideration to this problem and accept in principle what I have suggested. We can wait for improvements and refinements at a later date.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, the debate on the address in reply to the speech from the throne in my opinion has one great value. It has many others, but it has at least the value that it enables members from different parts of our nation to explain to their fellow members the problems that are worrying the people of their constituencies. This is particularly important for those of us who come from British Columbia because that province is farther away from the centre of Canada than any other. Its resources and economy are different from those of the other provinces.

During the time that we are at home we find it difficult to follow closely what is taking place in the rest of Canada and I believe that the rest of Canada gets a great deal less news about British Columbia than we on the west coast get about what is happening east of the Rocky mountains. I have been pleased to note that already three hon. members from our province have participated in this debate and I hope that all the other members will express their views on the problems that are worrying our people at the present time.

I propose today to place before the cabinet and the house six different problems which in my opinion are of concern to the people on the west coast. The first is the question of unemployment.

We regret, as I am sure hon. members from other parts of Canada also regret, that unemployment has again become a serious problem in this nation. I think the speech from the throne dealt with it rather lightly. The only reference is contained in this one sentence:

> Some unemployment of a regional and seasonal nature is being experienced.

I have no idea of the position with regard to unemployment in other parts of Canada, but certainly in British Columbia it is such that it merits far more serious consideration

than is implied by that sentence. In Vancouver private agencies such as the Salvation Army and others, and the various churches, have found the situation such that they have felt it necessary to step in and provide relief for the destitute. That has not been done to any extent in my city for quite a few years.

The city of Vancouver itself is also much concerned. The city council have been worrying about this problem and decided about three weeks ago that they would institute relief payments. The mayor summed up the attitude of the council very well, and I quote:

> At the same time, Mayor Hume called for action on a national policy to handle the unemployment problem.
> "I hope the Prime Minister and the premier will wake up", he declared.

He was referring to the Prime Minister of Canada (Mr. St. Laurent) and the premier of the province. He went on to say:

> There are a lot of people who can't find jobs—personally I don't know of one job in the city today.

About the same time our provincial premier wired the Prime Minister about this problem and made this recommendation:

> After due consideration of all factors this government urges strongly that, with respect to unemployed employables, adequate relief be extended, and that the cost thereof be shared to the extent of 40 per cent by the government of Canada, 40 per cent by the government of this province and 20 per cent by the municipalities. Immediate attention to this problem is urged by this government.

To my amazement that suggestion received rather brusque treatment by the Prime Minister of Canada. Two days later the following press report appeared:

> In a statement in Ottawa, Prime Minister St. Laurent said he had no evidence that B.C. was unable to bear the financial responsibility of providing relief for those unemployed who are able to work.

In other words, if the province can pay the relief, then it must do so. The dominion will accept no responsibility. That, Mr. Speaker, is an evasion of responsibility by this government. Furthermore, it is a complete about-face from the stand taken by this very government in the year 1945, when it brought down what are known as the "green book" proposals.

I turn to these proposals and find this on page 42:

> Over the past seven or eight years there have been recommendations by the national employment commission, the Sirois commission and others, that the dominion should assume responsibility for necessary relief to the employable unemployed.

That, I would point out, is the group about which Premier Bennett wired:

> It has been generally suggested that the dominion should accept this obligation as part of any general settlement with the provinces.

The dominion has come to a settlement with all the provinces with the exception of Quebec, and apparently there is about to be some settlement with that province.

The "green book" proposals went on:

> As a part of the general arrangement with the provincial governments, the dominion government now proposes to establish a practicable and comprehensive system of assistance to able-bodied unemployed persons as soon as possible, rather than waiting until the need for it actually arises.

This, remember, was in 1945:

> It is thought necessary not to permit the recurrence of the problems of administration being separated from financial responsibility, and to avoid the makeshift arrangements and controversy with provincial governments which otherwise would be almost certain to recur under the old methods of providing relief even though the number of persons involved were small.

I would point out that we are now having this very controversy which the dominion suggested in 1945 should be avoided. The proposals go on:

> The dominion is therefore accompanying its proposal for general acceptance of responsibility with a concrete plan for its implementation in the field of assistance for employable unemployed persons.

One further paragraph of significance to be found on page 43 reads as follows:

> The plan proposes acceptance of dominion responsibility for unemployed employables, and provincial and local responsibility for unemployables.

This government is today repudiating the stand it took in 1945. This federal government has an obligation with regard to the employable unemployed. In the case of British Columbia most of them come from outside the province. As a result of the refusal of the Prime Minister to accept any responsibility, the premier of British Columbia has stated, "All right, we will pay 80 per cent of the relief. The city can pay the other 20 per cent, but it will be paid only to those recipients who have established residence of one year in the province of British Columbia". All the rest are thrown on the charitable organizations. I suggest the time has come for this government to accept its responsibility in this regard. This trouble will probably arise every year, and this is only the start of it. Sooner or later the problem will have to be faced by the dominion government. Now is the time to take action.

The second question has to do with Columbia river power. There is a reference to that

in the speech from the throne, although it does not mention the Columbia river. I refer to the paragraph which reads as follows:

> Amendments to the Electricity and Fluid Exportation Act and a measure to control works which affect the normal flow of rivers which cross the international boundary will be proposed for the purpose of ensuring that natural resources are developed in the best interests of the Canadian public.

The very last line of that paragraph seems to indicate that the government has now adopted a Canada-first policy. If that were the whole story I would approve, and I am very glad that at last the government seems to be moving in the direction of adopting our Canada-first policy.

Hon. members will recall how in recent years we have had to hammer this government night in and night out, during private members' hour, to prevent it from supporting a proposal to build a natural gas pipe line from southern Alberta down into the United States at the nearest point to serve the great cities of Washington and Oregon, with only a stub line up to Vancouver and possibly one to Trail. As a result of a filibuster staged largely by this party, with the help of the C.C.F., and the former Liberal member for Fraser Valley, George Cruickshank, the government was eventually convinced that a Canada-first policy was advisable. Just a few weeks ago we had an announcement that natural gas is to be piped from the Peace river country down through the centre of the province of British Columbia to serve practically all the cities in that province, with the surplus going into the United States. We also had some trouble with regard to a natural gas pipe line from Alberta to eastern Canada, and it took quite a lot of pressure and argument to convince the government this should be an all-Canadian line. However, it finally adopted that policy.

In so far as the plans of the government with regard to the Columbia river system are concerned, we approve of anything which means the use of Canadian resources by the Canadian people. But I am afraid the story is not quite that simple. I believe this proposal is also designed as a club with which to beat the government of the province of British Columbia. That government, rightly or wrongly, has come to an agreement with the Kaiser interests in the United States under which there is to be a dam constructed across the foot of the Arrow lakes so that water will be stored in the Arrow lakes as a result of which more power will be available for United States plants south of the line.

The dominion government has taken objection to this plan, and we now have the picture of the two governments through their respective ministers calling each other names. For example, I have here the Vancouver *Sun* for November 25, 1954, carrying the headline: "Ottawa Dam Stand called 'Cheap Trick'." That is a statement by Premier Bennett. Then we have a statement by his minister of lands on November 30. The report of his speech carries the heading: "Opponents of Dam 'Lack Information'." It adds: "Lands Minister Charges Ottawa Veto would be 'Denial of Rights' of B.C."

Then we have Ottawa moving into the picture. I have here a dispatch dated November 22, 1954, from Warren Baldwin, who we all know is one of the most responsible newspapermen in Canada. The heading reads, "Ottawa Moves to Block B.C.-Kaiser Power Deal" with the subheading "New Statute Being Drafted to Provide Authority."

Finally we have the old master, the Minister of Trade and Commerce (Mr. Howe), turning all his guns on the government of British Columbia in a statement dated December 30, 1954. It reads: "B.C.'s Kaiser Dam Project 'Cockeyed' says Howe." This is another dispatch from Ottawa by Mr. Baldwin:

> Trade Minister C. D. Howe Wednesday described the agreement between the B.C. government and the Kaiser interests in the United States for a storage dam without on-site power on the Arrow lakes as "a cockeyed and improvident deal."

A war in print has been waged in the press between the two governments. The premier of British Columbia is sitting there ready to go to the courts about this issue and Ottawa is prepared to beat him into submission. I point out, Mr. Speaker, that power on the Columbia river system in Canada can only be developed by co-operation between the two governments. The main source of power is to be a dam at Mica creek up above Revelstoke on the Big Bend. That is certainly in British Columbia and the provincial government will certainly be the authority to deal with that dam.

The same British Columbia government has dealt with the huge project at Kitimat. That was not the business of the federal government at all. There must be co-operation between the two governments. I believe that both sides are sincere. The premier of British Columbia believes that he is making a deal which is for the benefit of his province and is doing no harm to the rest of Canada. The ministers here believe that the deal is not a good one and that it should be stopped. Let us admit that there is sincerity on both sides. All I wish to emphasize is that this fighting attitude is helping no one and is only going to make it more difficult to have the Columbia river system properly developed in so far as power is concerned.

Our main responsibility in this House of Commons is to see where parliament fits into the picture. So far we have only had newspaper reports. We have had shots from both sides. With the exception of the St. Lawrence, the Columbia river is the most important river in this country so far as power is concerned. In fact I believe that the two river systems have about the same potential. This is an extremely important problem for the Canadian people and for their parliament. It involves not only the Arrow lakes in West Kootenay but also the Kootenay river in East Kootenay and the Mica creek dam. It involves the whole question of downstream benefits and what is to be paid by the United States interests for storage of water on the system in Canada.

It may also involve the Fraser river. The suggestion has been made by federal ministers that they are going to divert some of the Columbia river water into the Fraser river. That may be a good idea but I point out that just six years ago we had terrible floods on the Fraser, and the people living in the delta of that river are very much concerned about what is going to happen to them if a lot of Columbia river water is diverted into the Fraser.

I suggest that the way for parliament to handle the question is to have it considered by the external affairs committee. In each of the last two sessions that committee has heard evidence on the Columbia river system from General McNaughton, and very interesting and useful evidence it was. If that committee is allowed to deal with the question this year before the proposed legislation becomes law, then General McNaughton can be called to explain the whole story. We can have representatives from the British Columbia government attend. We can cross-examine officials from the different federal government departments who have been studying the Columbia river system, and we might even have representatives from the Kaiser interests who could tell their side of the story.

My point is that this is the kind of problem that should be carefully studied by the private members of the house. It should not be left to one or two ministers to make a decision which will affect Canadians on the west coast for generations to come. If the government does not wish to refer the matter to the standing committee on external affairs, a special committee could be set up or a new committee could be set up to deal with all questions of power.

I was very much interested in an article in the *Financial Post* of October 23 last by Michael Barkway, another distinguished member of the press gallery, in which he advocated a national energy policy for Canada. He advocated that all questions concerning power, whether it be power generated from water, atomic energy or in any other way, be dealt with together. I think his plan was excellent. The Minister of Trade and Commerce (Mr. Howe) promised that during this session there would be a committee on atomic energy. It might be possible to have a committee of that kind also consider the Columbia river situation.

My third subject has to do with the price of wheat in store at Vancouver. As the Minister of Trade and Commerce announced yesterday, the government adopted a new policy on February 16 of last year under which the Canadian wheat board varied the price of wheat as between Vancouver and Fort William-Port Arthur with the objective of making these centres competitive. That was a departure from the policy that had been followed from 1943, a policy under which prices were the same at the west coast and the lakehead. When changing the policy the minister dropped the price of wheat at Fort William-Port Arthur by 7 cents. One result of this change in policy has been that shipments of wheat out of Vancouver dropped 40 per cent during the last four months of last year compared with the same four months in 1953.

Vigorous protests have been made by a joint committee of the international longshoremen's and warehousemen's union and the grain workers' union in Vancouver. Incidentally, they have given splendid leadership on this matter. They have been supported by groups all over the city, by the city council, by the provincial government and by all of the papers. For example, I have here an editorial from the Vancouver *Sun*, which is a supporter of the government. The heading is, "Facts for Mr. Howe, All Port Interests Suffer as Grain Trade Declines". The editorial, published on December 22 last, reads:

> There is a simple way for trade minister Howe to convince himself that the wheat board grain price juggling in favour of eastern ports is truly damaging Vancouver and citizens' wage packets. From Vancouver merchants exchange, national harbours board, shipping federation, stevedoring firms and waterfront unions, and ship supply, chandlery and repair firms, he will learn that fewer vessels are coming here to take grain. When year end figures are officially prepared they will show a decrease between July 31—end of the crop year—and December, 1954, compared with the same period 1953.

The Vancouver *Province* of January 7, five days ago, had an editorial headed "An Urgent Job for Vancouver M.P.'s" which reads in part as follows:

> Vancouver members of parliament have a job to do at the session opening this week. They should

make it their business to speak and work to end the federal discrimination against wheat shipments through this port.

The Vancouver *Herald* of January 3 this year had an editorial headed, "Let Mr. Howe now heed his own advice 'to keep all ports competitive' ".

The fact is that the wheat board in changing prices has always been one step behind. Ocean freight rates go up but the price does not drop as fast as these rates go up. The result has been that shipments of wheat through the port have fallen. Even with the removal of this difference in price, Vancouver would have great difficulty in meeting the Atlantic price, I believe. For one reason, it is a far longer voyage; it takes far longer for the wheat to get to the United Kingdom from the west coast. Shipping is not as plentiful as it is on the east coast. We believe that this policy, which the minister announced yesterday is to be permanent, is a wrong policy. It sets off Vancouver against the lakehead. Buyers take advantage of that fact. They wonder why there are two prices. When the price is dropped at Vancouver they wait to see if the price will not drop at Fort William.

This new control imposed by this free enterprise Minister of Trade and Commerce is unwise. I even took from his statement yesterday that he believes the west coast should sell its wheat in Japan and South America, around the Pacific, and not worry about the United Kingdom market. We are just as much concerned about the United Kingdom market as are the centres in other parts of Canada. I believe that in the long run the old policy would be far better, both for Vancouver and for Fort William-Port Arthur. We on the west coast demand that this discrimination be ended without further delay.

This question brings up my fourth point. The drop in shipping coming into Vancouver harbour for grain has meant fewer ships in that port to carry other commodities. We are now in the position where it is a great problem to get ships to carry our pulp. People who must ship these products abroad are finding it increasingly difficult to get bottoms. Canada has no deep sea dry cargo fleet. On the west coast there is not one ship left under Canadian registry. We are dependent on foreign ships to carry our goods. Here we are, the nation which per capita has to ship more of its goods than any other nation, left in a position where, on the west coast—it is almost as bad on the east coast—all these goods have to be carried in foreign vessels.

If there were Canadian ships, we would have some measure of control over the goods that were carried. It would be that much easier to get our own products carried abroad. It would be in the best interests of the nation as a whole. There may come a time, Mr. Speaker, when this government will even have to subsidize foreign vessels to come to our ports to carry Canadian goods abroad.

The figures on the merchant navy have made very sad reading for several years. They are growing steadily worse. I have here the seventh report of the Canadian maritime commission, dated June 24, 1954. We find at page 15 that in the year 1952 Canadian vessels carried only 6·4 per cent of Canada's trade; that was down from 20·2 per cent in 1947. United Kingdom vessels were carrying 35·4 per cent in 1952, which was down from 45·2 per cent in 1947. Other ships were carrying 58·2 per cent of our trade, whereas in 1947 they only carried 34·6 per cent. For 1953 the figures were worse. Then we only carried 4·3 per cent of our goods; the British carried 34 per cent and other vessels 61·7 per cent. I am sure that the figures for 1954, which have not yet been released, will be very much worse again.

We are down to the position where Canadian vessels are carrying practically none of Canada's products. The deep sea dry cargo fleet under the Canadian flag is practically gone. As I said, there are none left on the west coast. On January 1, 1948, there were 145 dry cargo vessels under Canadian registry. On December 31 of last year, there were only 15, two of them 10,000-tonners built during the war. One of these is Italian owned and operates out of ports in Italy. I believe it has not been in Canada for many years. There were seven 4,700-tonners, of which five belong to Canadian National Steamships and two are in the paper trade out of Newfoundland. Of the six others, three belong to the Canadian National Steamships and three are engaged in the coastal trade out of Newfoundland. Our gross tonnage has dropped from 928,598 tons on January 1, 1948, to 68,936 tons on December 31, 1954, the lowest point in 35 years. There are only about 500 Canadian merchant seamen. Almost every other nation has gone in the opposite direction.

I know there are certain ships under United Kingdom registry which are owned by Canadians but they are under United Kingdom direction and manned by United Kingdom sailors. They mean little to Canada and they are all old. Government policy is such that it prevents them from being modernized. We are told that Canada should rely on the North Atlantic Treaty Organization shipping

pool for its shipping; that if there is a war we will be served by that pool. There is no such pool in operation, and I understand that the United States is holding back; she has not agreed to come into the pool. If war were to come, Canada would have to start building all over again. There would be a great delay. There would be time required to train seamen, and a tremendous expenditure. It would probably be too late.

The government has had recommendation after recommendation from its own maritime commission and other officials that there should be a nucleus of approximately 50 modern fast vessels maintained for a Canadian merchant navy. But the policy adopted or the refusal to adopt any policy has resulted in this being one of the most dismal failures of the present government. I believe that even yet a bold policy could save the situation. I regret there is nothing about it in the speech from the throne.

My next subject concerns the Minister of Public Works (Mr. Winters), who is a very good friend of mine and a minister for whom I have great admiration. Last session we asked if the government would help in the construction of the Marpole bridge over the north arm of the Fraser. I have not time to quote the *Hansards;* they are all here. I will not embarrass the minister by reading them. First he said no. Of course, the plea for help is based on the fact that this bridge is the only means of access to the Vancouver airport, which is the airport doing the most business in Canada. We pointed out that the Minister of Trade and Commerce (Mr. Howe) had said yes a few years ago. Eventually the Minister of Public Works, somewhat reluctantly, agreed that the government would pay $400,000.

That figure was reached on the basis of an estimate made some years ago that the way to repair this bridge was to put in a new span. The 6,000-odd vessels which go through every year would still be going through, and the span would still have to be opened for them. This government favoured improving the span, so he took the estimate of $1,200,000 for that job and said the government would pay one-third because it had been admitted that the dominion should pay one-third. We pointed out that was useless because there had to be a high level bridge. However, the minister would not raise the offer.

Finally on June 25 his parliamentary assistant had this to say in response to a question by myself, as reported on page 6774 of *Hansard* for that date:

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

Mr. Green: That is right.

Mr. Bourget: So far, I do not think—

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

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

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

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

Subsequently we had the provincial government taking steps to build this high level bridge, and saying quite frankly months ago that if the dominion did not contribute its share tolls would be placed on the traffic over the bridge until its cost had been met.

And now the Minister of Public Works (Mr. Winters) takes this position—and the date is December 11, 1954—as set out in a press dispatch bearing the heading "Withdraw $400,000 Offer":

Ottawa won't pay a cent on new Marpole bridge plan.

Then follows the dispatch by Mr. Warren Baldwin, stating:

The federal government considers itself out of the picture as far as the Marpole bridge is concerned. . . . "Under some circumstances," said Mr. Winters, "we might still have been ready to contribute the $400,000 to the larger project planned by the province but we obviously can't contribute to a revenue producing project."

Mr. Rowe: Was that before the election?

Mr. Green: No, that is after the election. Now, the bridge is not a revenue producing project; it will have to be a toll bridge, simply to pay the cost. I believe this is a case in which there still is an obligation on the dominion. The airport business is growing all the time; more money is to be spent on it by the dominion all the time. And the decision announced the other day by the minister should be changed.

Finally I had meant to say a word in support of the establishment of the Canada council, but I do not have time to do so.

In closing may I give a friendly warning to the government. The Liberal party has been in office nearly twenty years, in five succeeding parliaments. In four of those parliaments that party has had an overwhelming majority. I am sure everyone here today who served in those five parliaments will agree that the one in which the sides were more evenly balanced was a far stronger parliament than any of the other four.

Watching those five governments, one can clearly see the government steadily growing more arrogant, with less and less reason. Today we have sign after sign that this government places very little importance on parliament, and more and more importance on the

government itself. I suggest that we have, right here in this Liberal government—and not only among the cabinet ministers but also the private members—the greatest self-admiration society in the whole country.

Mr. Rowe: In the whole world.

Mr. Green: The manner in which the government has dealt with the questions to which I have referred this afternoon—unemployment, the Columbia river development, the price of wheat at Vancouver, the merchant navy and the Marpole bridge—and the reaction of the ministers when anyone dares to raise these questions, indicates clearly that their attitude is now becoming one of contempt for all contrary opinions.

Mind you, it is only human nature that when one has been in power, has been in command for such a long time, he thinks he is very good indeed. That is a natural human reaction. I can understand why members of the cabinet have that reaction—although I have noticed that while the older ones, who had some justification for it, go to jobs in different parts of the country, or retire, or go to the Senate, the younger ones who have just come up have the same sense of self-satisfaction that was held by men who really had some ground for it. That is one of the unfortunate features of the situation.

In any event, this government has been in power for a very long time. It would be a good thing for the country if there were a change. I merely point out to the Prime Minister (Mr. St. Laurent) that if there is a continuation of the attitude to which I have referred, then in the long run it will defeat the government. And, worse than that, it will result, as I believe it has already resulted, in the people of this country being given leadership which is far less efficient and far less democratic than they deserve.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, from the observations we have heard in the debate it would seem to be customary to hand out a lot of bouquets and congratulations when one rises to speak. However, I must say that I do not consider that in any way as part of my responsibility. I do not go even as far as the hon. member for Vancouver-Quadra (Mr. Green) when, in his closing remarks, he said that he wanted to offer some friendly advice to the government. My advice is designed deliberately to help the people of Canada get rid of what I consider has been the most reactionary government Canada has had since 1935. Therefore I have very few, if any, congratulations to offer.

The only congratulation I would extend would be to ask Mr. Deputy Speaker to transmit to Mr. Speaker our appreciation of the manner in which he has fulfilled his heavy responsibilities. Unlike the hon. member for Vancouver East (Mr. Winch), I can say honestly that in the province of British Columbia the man of French-Canadian descent from east of the Ottawa river who is considered most famous is the Speaker of the House of Commons, and not the gentleman who was referred to as "Uncle Louie". I might add that the prestige of the so-called "Uncle Louie" in British Columbia is very low, indeed.

It is often said in the house that this or that is the privilege of the opposition. That is a wrong process of thinking—very wrong. The opposition in the House of Commons has a responsibility, not a privilege. Whether we sit on the government or on the opposition side, we have the same privilege. Government members have one responsibility, that of governing the country according to their lights; and we definitely have the responsibility of seeing to it that, in face of the government majority, the people of Canada get the best possible government.

I am very pleased to speak in support of the amendment to the amendment of the address in reply to the speech from the throne. I cannot see at all how the hon. member for Vancouver South (Mr. Philpott) draws the conclusion that the leader of the C.C.F. was caught without his swimming trunks when the Progressive Conservative amendment was offered. That amendment follows the pattern of which we, in past years, may have been guilty—that of picking little individual items and castigating the government for not implementing them. Next year we have found they would implement them, and we would have to think of something new.

The time has arrived in the Canadian economic scene when little bits here and little remedies there are no longer sufficient. I agree wholeheartedly with my leader when he maintains that there is plenty of evidence to show that, by deliberate design, this government is turning itself from a genuinely Liberal government into a genuinely Conservative government.

I noticed that also in the address by the Acting Leader of the Opposition (Mr. Rowe). In years gone by it was the C.C.F. who told the government, "You are doing this and this. These are the things we have been asking for." This winter the C.C.F. are not going to be telling the government that they are doing the things we have been asking for. This winter, as we have already

heard in this house, the Acting Leader of the Opposition is going to be telling the government, "You are now intending to do the things the Conservative party of Canada has been advocating."

If you will look over the legislation that is proposed you will see that the Acting Leader of the Opposition has grounds for making that statement, and for claiming for the Tory party some of the credit. The time has arrived when a challenge is arising to the reactionary Liberal government headed by the present Prime Minister (Mr. St. Laurent). The times are not too different from the years preceding the hungry 1930's. At that time the Canadian public was well aware that a complete switch in government policy was necessary. The only thing that was open to the Canadian public was to turn to the only alternative, the Conservative party. Now they have, under the guise of the Liberal party, a Conservative government, and this time there is an alternative available. From one end of Canada to the other, from Newfoundland to British Columbia, there is a genuine farmer-labour people's party that will be ready to take on the government of the country when an election again rolls around.

This government, in my opinion—and I think the speech from the throne shows plenty of evidence of that—is concerned only with the welfare of the Liberal party, and it is not doing very well at that. I notice that fewer than 14 per cent of the Canadian people have a Liberal party in office on the provincial level. Only the relatively smaller provinces of Newfoundland, Prince Edward Island, Nova Scotia and Manitoba have Liberal regimes. Their fortunes are at a low ebb indeed.

When I was elected to this parliament one of the first things I made up my mind about was that I was going to get to know more about the country in which I live. I regret very much that the tour of the members of parliament to the province of British Columbia planned for last fall had to be postponed. I hope it has not been postponed for long, because I feel it is a great thing to be able to see how other people in Canada, thousands of miles away from us, live. I therefore spent a good deal of my summer and fall visiting other parts of Canada.

I should say the oftener I travel in Canada, the prouder I am of Canada. We have a wonderful nation, the most marvellous of all the nations of the world, and we have the most aggressive and progressive population. However, another impression I gathered that you cannot fail to notice is the vast potential, the vast possibilities that are open to the people of Canada. When one contemplates that one gets a certain feeling of humbleness and at times even of shame, when one sees all those natural resources and realizes how aggressive and sturdy the people are who are living here. That is particularly true when you realize we have such things as housing shortages, unemployment, lack of educational facilities, and so forth. The lack of aggressive action on the part of the Liberal government since 1935 in that respect has had a good deal to do with it.

I was in the maritimes, and I should like to congratulate the people there on having finally decided that their hope for help from a federal government that might be interested in the welfare of the whole nation was groundless. To look for help from such a federal government under this Liberal cabinet that we now have is to look in vain indeed; therefore these people have decided that they are going to see what they can do to help themselves. I welcome most heartily their formation of an interprovincial development council. I have not the exact name of it at my fingertips; however, I wish them well, and I hope this federal government may yet see fit to lend a hand, first of all in a reassessment, followed by a rehabilitation of the economic life of the whole of the maritimes.

The need to help themselves has of course long been evident in the province of Nova Scotia, where the people long ago realized that to look to the two old political parties for help in their difficulties was useless. They have led the whole of the maritime region in the formation of co-operatives and credit unions. However, in other parts of the maritimes I find that the people do not even realize what they have missed. They do not even seem to grasp the fact that the people of Canada are no longer living in the hungry thirties. When you see a new house in certain parts of New Brunswick you really lift up your head to look because it is something new, whereas in other parts of Canada new houses are a thing of almost everyday occurrence. If we could only take the people of New Brunswick on a tour from one end of Canada to the other; if they could see what is going on and how the people in Ontario, in Saskatchewan, in Alberta and in British Columbia are living, their high standard of living, I am sure they would decide that they had had enough of both Liberals and Conservatives.

Mr. Gregg: May I ask my hon. friend when he last visited New Brunswick?

Mr. Regier: I visited New Brunswick in the summer of 1954.

Mr. Gregg: Personally?

Mr. Regier: I also spent a fair amount of time in the province of Quebec. This province seems to be the sore spot in the matter of Canadian unity. I was raised in the west. For years the late Mackenzie King told us how he was building national unity, and for years most of us believed him. "Yes, that is the man to build national unity." How is it, Mr. Speaker, if the late Mackenzie King was really and truly building national unity that, after such a long premiership, almost the moment he disappears from the scene we have less national unity than we have had in Canada for ages and ages?

One plea that I should like to make to the Prime Minister of Canada is this. I hope this house and the other house also will no longer be plagued with the necessity of sitting in a judicial capacity. We are here to legislate. I feel that a great opportunity may be missed if the present Prime Minister should want to resign, or because of circumstances of age or health have to resign, before this matter is settled. We do not want to handle divorce cases in the parliament of Canada.

At none of my meetings from one end of Canada to the other did I mention the subject of divorce; yet invariably, as soon as I sat down, the first thing I was asked was, "What about this question of divorce?" The people of Canada are getting sick and tired of it. There is one man who can help us out of this situation and that is the Prime Minister (Mr. St. Laurent). I feel that if he does not do so he will have failed in one of his greater responsibilities.

It may interest my good Liberal friends who are hon. members of this house and who represent ridings in the province of Quebec to learn that when I came quite unannounced into the city of Montreal one day two clergymen of the Catholic faith, who somehow or other or by some unknown route had found out I was in Montreal, phoned me to ask for appointments. That was amazing to me. What did they want appointments for? They wanted to know the story from other than Liberal sources for a change. They wanted to get at the root of the difficulty and the dissatisfaction. Not only that; one of them referred a number of cases to me and pleaded with me to take up the fight on behalf of people whom he felt might be injured. I assured him that I hoped not to have to do that and that a solution would be found to remove this business from parliament.

I have received numerous letters from outside Quebec. I have received letters from the Riviera and the Scandinavian countries, from former Canadians whose lives had been so messed up by their cases having been handled in the houses of parliament of Canada that they felt obligated to remove themselves from Canada and spend the rest of their lives elsewhere. I think it is a shame that we are not able to end this matter once and for all. At this time I make this plea to the Prime Minister, that he do what he can. If he cannot do anything I doubt whether there is any future Liberal prime minister who will be able to do anything. He would have to be a resident of Ontario, because such a man could not possibly come from western Canada.

Another matter that worries the people of Canada a great deal, and that excites a lot of interest, is this knight in shining armour who was once and for all going to rid the political scene of Canada of a certain man. He was to rid us of him politically speaking; we wish him well personally. I am referring to the premier of Quebec. I am told that assurance was given last winter to the Liberal members of parliament from Quebec somewhat along these lines: "Now, boys, you stay with me in this fight. When it is over and we have won our fight in the house I will put on this armour and go out and do personal battle, and we will end up on top."

The guns were fired, but what happened? I wonder how those Liberal members of parliament who put their faith in the Prime Minister feel about it now. They must be most humiliated indeed, because from all appearances the premier of Quebec seems to have won a complete victory. All he did was this. When he got a slap on one cheek he turned the other cheek, and the Prime Minister of Canada had to humiliate the whole nation by boarding a train to go to meet the master of that other nation in a hotel room in Montreal.

Mr. Martin: Does the hon. member know of any declaration made by the head of any government in this country which was more widely approved or more universally commended throughout Canada than the speech made by the Prime Minister of Canada at the Reform club in Quebec?

Mr. Regier: That is exactly what I am saying. All Canada looked forward with great anticipation, the progressive people in the province of Quebec looked forward with great anticipation to the political battle which was shaping up on the Canadian scene. Then there was the utter humiliation and shame that all of us felt when it ended up in a complete turnabout in this hotel room in Montreal.

The people of Quebec are going to wake up. There are enough of them to turn the

tide. My forecast is that when that tide turns in the province of Quebec it is going to turn mighty fast. My greatest concern is that it may turn to the communist party. I contend that there is no part of Canada that is as ripe for advances by the communist party as the province of Quebec. In the city of Montreal the communist party polled about as many votes as the C.C.F.

Mr. Boisvert: How many days did the hon. member spend in the province of Quebec?

Mr. Regier: I think I am safe in saying that I have spent more days in the province of Quebec than any six members of parliament from Quebec taken together have spent in British Columbia.

Mr. Boisvert: I should like the hon. member to answer that question. How many days did he spend in the province of Quebec when he went there last summer?

Mr. Regier: I have not added them up; I do not know the number of days I was there last summer. The people of Quebec are suffering. They are subjected to double taxation and they are not enjoying the facilities in the field of education which they would like to have, which they ought to have and which they deserve as Canadian citizens. They are not receiving adequate health services to which they are entitled. I was amazed to learn that it was many years after the rest of Canada was enjoying old age pensions before Quebec was granted this privilege. One reason for this was that when the late Mr. Mackenzie King, while leader of the Liberal party, was preaching national unity, on the other side of the Ottawa river he was telling the people of Quebec, "You are something apart; you are something different; you must have special consideration."

I regret to admit that all the political parties of Canada represented in the province of Quebec are of one accord. They are all supporters, consciously or otherwise, of the basic philosophy of the premier of Quebec.

An hon. Member: Wishful thinking.

Mr. Regier: It is not wishful thinking. I have seen resolutions passed by the Quebec branches of various political parties. I have said to the people of Montreal, and they applauded me when I said it, that unity in Canada cannot be based on anything except the needs of the people. Human beings in Montreal are the same as human beings in Winnipeg or in any other Canadian city. The people of Canada want decent housing and decent food. They want employment. They want health services. We all want these things whether we live in one part of Canada or another. There is your basis of unity for the Canadian people. The C.C.F. is the only party which has arisen out of the needs of the people of Canada and is therefore able to tell the same story in all parts of Canada.

If hon. members do not like what I have been saying about the province of Quebec we will go to the next province, the province of Ontario. In the province of Ontario I found widespread complaints about the administration of the Department of National Revenue. I was told by civil servants that it is the worst administered department of the government of Canada. The customs officers along the line do not seem to know where they are at. One makes one ruling one day and another one comes in the next day and overrules that, making a different regulation. I think it is time for a complete overhaul, and I say this in all kindness to the minister for I believe he should do this before he leaves that department, possibly to take on another. He should order a complete reassessment such as we had with the Criminal Code last year. I believe it is time the regulations of the Department of National Revenue were consolidated and the difficulties ironed out. However, we will have more of that later in the session.

There is a great housing shortage, and in this regard I was interested to hear the hon. member for Spadina (Mr. Croll) state that N.H.A. houses are being built for $10,000. The hon. member mentioned a down payment of $1,500, and I earnestly hope homes are available at that figure. However, I would like to be reassured on that point and know for certain that the people of Toronto who are eligible for N.H.A. homes can buy a $10,000 home for a down payment of $1,500.

The people of Ontario are worried about the question of immigration, especially as it relates to unemployment. We fail to understand how so many individual applicants for immigration into Canada can be turned down, yet wherever we go in the major centres of Canada there seem to be hundreds of single immigrants who have come into this country and are now without employment. It has long been suspected that the department of immigration, either deliberately or through lack of planning and direction, is allowing thousands of single workers into Canada, people with no contacts in Canada and possibly only the promise of short-time employment, while keeping out others whom we ought to welcome into our country. I shall not go into detail on that because of lack of time.

In the province of Manitoba the record speaks for itself. I was amazed at the efforts the Liberal party made to win the Selkirk

by-election. I understand one cabinet minister was sent in for a repeat performance. If he had been sent in once more the Liberal candidate might actually have lost his deposit. I also understand that 48 hours before the voters went to the polls they were told that the so-called payment on wheat would be 10 cents a bushel, and it would be paid out shortly after the by-election.

I would like to congratulate whoever is in charge of the Liberal party organization in Canada, for under his guidance the party made a tremendous effort to bolster their rapidly sinking prestige in the province of Manitoba. However, Manitoba is a little more progressive than a great many other parts of Canada. To the Liberal party I would say, "Your cause in Manitoba is completely hopeless. In addition, it will require another five to ten years before you begin to grow again in British Columbia, while in Alberta there is no hope for you at all, and even less in Saskatchewan. Your efforts to hold Manitoba will be completely fruitless."

I spent a good deal of time in Saskatchewan, and I found the people there taking this terrible trimming over the crop failure in their usual manner. However, they are bitterly disappointed over the failure of the Minister of Agriculture (Mr. Gardiner) to come through with the dam. The yarn going around Saskatchewan is that the Minister of Agriculture has made up his mind that before he leaves the political scene he is going to do everything he can to obtain the dam, and thus not go down in history as a political failure. In fact, we are told in Saskatchewan that at every cabinet meeting all the Minister of Agriculture speaks about is the dam, and the other cabinet ministers are getting to the point where they say, "Damn the Minister of Agriculture, damn the dam, and damn all Saskatchewan anyhow".

Then we come to the province of Alberta, and there we find a rather fluid situation in regard to political life. The people there are rapidly becoming disillusioned with their present government, particularly when they see a clergyman, a humble servant of the people, placed in charge of one of the most important government departments and end up, after leaving the political scene, as the head of a company which threatens to become one of the biggest private utility companies in Canada. When they see that they begin to wonder.

The government there promised to do away with all tax on land, but taxes on land have been gradually rising despite the fact that hundreds of millions of dollars of oil revenue has gone into the provincial coffers. In the light of these facts the people cannot understand why their taxes continue to increase.

We have not a Liberal organization in Alberta worthy of the name. We have some Liberal members in the legislature, but they have no organization behind them. I would point out, though, that the C.C.F. in Alberta has a vital, wide-awake, active organization, and the leader of the Social Credit party might get the shock of his life before six more months have passed. In fact, we might have to rearrange the seating in this house before very long.

Coming now to the province of British Columbia, which might be described as the garden of Eden—I had "paradise" in my notes but I had to change that because of our present government there and because I remembered, Mr. Speaker, that the garden of Eden was not a perfect place; there was an influence there. However, coming back to British Columbia I believe that politically it has made greater advances than any other province in Canada in that we have finally consolidated a two-party system. Hon. members might take a look at today's *Hansard* and read how the hon. member for Vancouver-Quadra (Mr. Green) made a powerful plea on behalf of the rights of the provincial government in British Columbia. His was nothing more than an attempt to get that government off the hook in its fight over power with the federal government, which it is rapidly losing.

They were elected as the free enterprise party. They told the farmers there that the reason they were not getting more for their milk was because the government was intervening in the milk situation. They told people in the urban areas, "You are paying too much for your milk. Take the government out of the milk business. Government in business is a bad thing. It is Marxian and basically bad." The farmers and the urban dwellers fell for it, but I am still paying 22 cents per quart for my milk. Farmers in the Fraser valley of British Columbia have lost untold hundreds of thousands of dollars as a result of this policy, and now they are beginning to worry about it. They have managed to get a commission appointed and the "Socreds" are worrying about how they can save face and again sneak back into the milk business.

I was pleased to note that apparently the leader of the Social Credit party pleaded yesterday for orderly marketing for farm produce. Last year I was also pleased to hear him speak in favour of abolishing tolls on bridges. I hope that he can somehow

exercise some restraint and stop the wild antics of those who are nothing but smart-aleck politicians, who lead a rather reluctant Social Credit group in the house in Victoria.

Then we have the new Conservative party there, and it has a most useful role to play. I have no objection to the Conservative party. I have every admiration for it. It has a necessary part to play in a democracy. It is the party of consolidation, while the C.C.F. party is the party of progress. Let the Conservative party now call itself "Socred" or even "Union Nationale". It is immaterial, and it is all right with me. It has a political function to perform. However, what I do object to is this Liberal party that is neither here nor there, that is not a free enterprise party and is not socialistically inclined. It is based on nothing, I repeat, except the welfare of the Liberal party. That will come to an end when economic circumstances change and the people demand a government that believes in action. They will either elect the right wing or the left wing, and I can forecast a split right down the middle in the membership across the way.

Who the new leader of the right wing will be I do not know. I hear that sparring for the position is going on, and that a number of very aggressive and fairly young individuals are concerned. It is my firm conviction that the Liberal party in British Columbia has disappeared as a political force. The main reason, I am verily beginning to believe, is that the bottom of the Fraser river is paved with the gold and studded with the diamonds of Liberal political patronage. We had a Fraser river gold rush many years ago, and it is said that history has a way of repeating itself. This patronage and pork barrel politics were the main reason for the wiping out of the Liberal government in Saskatchewan, and this also holds true for the province of British Columbia. There is an answer to the situation. The people do not know what is going on and the opposition, apparently, has no place in government. I sometimes wonder if we have any place. I sometimes even wonder why the private Liberal members of parliament sitting around and behind the cabinet ministers are here at all. They have no influence on the government, and I do not know why they are here.

This Canada of ours is definitely ruled by a cabinet that has all the facilities at its command to defend its position, right or wrong. I fully endorse the plea made by the Conservatives some time ago, about which I read in the newspapers, that greater facilities be made available to the opposition members so they can do their work properly. When I referred to the Fraser river you might think that I exaggerated. Maybe I did, but how am I to know? What means are available to me to find out whether or not the half a million dollars for this project and the $2 million for that project are a waste of money?

When the cabinet wants to defend its position with regard to expenditures on certain public works it has all research facilities available. The matter has become so serious that after the last election there were articles in certain newspapers pointing out that Canada was beginning to have a one-party government. To anyone who has sat in the galleries of the house over a period of years I think it must be very obvious that we are rapidly approaching the day, if this situation carries on much longer and opposition members are unable to do too much about it, when not only will we have a bipartisan foreign policy, as we sometimes do, but all our policies will be bipartisan, and that would be a sad day for the cause of democracy.

I should like to endorse what was said by the hon. member for Vancouver East (Mr. Winch) with regard to the trans-Canada highway and the assumption of responsibility by the federal government for all major highways in Canada. I think the time is long overdue when municipal and provincial taxpayers should be afforded some measure of relief from the burden of taxation brought about by road construction and maintenance. Money is so urgently needed for municipal development that we cannot longer afford to see so much of the income of the lower levels of government being used for road building.

I should like also to advocate that a committee of the house be established, or even a royal commission, to investigate all expenditures of the Department of National Defence and the Department of Defence Production since the end of the war. I think the most amazing information would be revealed. That is another place where the opposition is handicapped. I would say that even the Liberal members who are not in the cabinet are severely handicapped in fulfilling their function in the house. I know that the Department of National Defence has wasted $300,000 in my riding in the purchase of a swamp, land that is absolutely useless for the purpose for which it was bought. Somebody made a mistake. I am not saying that the government must necessarily be condemned for a mistake, but they spent $300,000 for land on which to build an army supply depot, and the land turned out to have no bottom to it. At least, no bottom has been found so far, and the land is most unsuited for that purpose.

Mr. Argue: No horses on the payroll.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member, but I am obliged to advise him that his time has expired.

Mr. Regier: Thank you, Mr. Speaker.

Mr. Castleden: They sank the horses in the middle of the swamp.

Mr. Argue: What's a million dollars?

Mr. B. R. Leboe (Cariboo): Mr. Speaker, in rising on this occasion to speak on behalf of my constituents I am sure they would want me to convey to you and to the members of the house their best wishes for the coming year. I should also like to congratulate the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne. I also congratulate the new members of parliament for giving up all those things with which they were occupied previous to coming here and giving of themselves to the nation's business.

Naturally there were some disappointments last year, but as we look back we have reason to believe that there was much for which to be thankful. Many of our disappointments were brought about by things beyond our control. Weather conditions in the part of my riding where I live were very bad so far as the production of logs and lumber is concerned. Across Canada we find that conditions for agriculture were anything but good.

Dealing with British Columbia, and more particularly with the riding of Cariboo in which I am most interested, we find it is expected that tenders will be called for the Dawson Creek federal building early this year. For a good many years we have been looking forward to the construction of this building, and I am certain that the people of that area appreciate a great deal the action that is being taken this year.

Whilst speaking in connection with the Dawson Creek area, I should like to mention that we are pleased to hear that the telephone situation will be cleared up within the next 18 months, and that a dial system will be introduced in Dawson Creek. I should like to recommend at this time, in connection with improvements in the Dawson Creek area, that an unattended automatic set-up for Pouce Coupe be considered, which would give a 24-hour service from that town into the central point of Dawson Creek.

I should like to congratulate the government on the appointment of the new Minister of Transport (Mr. Marler) because I believe that, as well as having great ability, he has many other admirable qualities. We are looking forward to seeing some good results from his department.

The provincial government of British Columbia has contributed a great deal to the welfare of our people. Among the things that interest me most is the extension of the Pacific Great Eastern from Squamish to Vancouver. This extension, as you perhaps know, is well under way. It is expected that the extension from Prince George to Fort St. John will be under way next year. I understand that tenders for the construction of the first 65 miles will be called some time early in February.

As a result of the confidence in the British Columbia government there has been a great deal of private investment throughout the whole province. This sometimes brings with it circumstances which cause the government a bit of concern. Because of the rapid expansion, the educational facilities in the province, as elsewhere in Canada, can hardly keep pace with the growth in population.

In the northern part of my constituency there is an increased interest in gas and oil exploration. The proposed gas line from Fort St. John to Vancouver and to the inland empire of the Pacific northwest in the United States brings a great deal of hope for our people throughout the length and breadth of the Cariboo riding because we expect many new secondary industries will be brought into being.

I noticed that in the Vancouver *Sun* of January 3, in speaking about this development, Frank Walden, who is a staff writer for the Vancouver *Sun* had this to say:

> The year 1954 was as action-packed from a Social Credit government's point of view, as the violent election years of 1952 and 1953. The shouting was not perhaps as loud, but more, in fact a good deal, was accomplished.

Again on the economic side, I may say that British Columbia bonds sold for the highest price ever in the eastern money markets. Frobisher posted with the government a colossal $2,500,000 bond and prepared to build an immense hydrochemical empire in the northern section of British Columbia. Alcan announced another $45 million expansion program ahead of schedule. There is every reason for the people of British Columbia to be optimistic, and we expect that as time goes on a much greater development will take place within the province.

The point I should like to make at this time is that all these developments are going to add substantially to the federal government's revenues. Under the tax agreements we find that the greater the development, naturally the more money the federal government is going to collect. We feel, therefore, that there are certain responsibilities the federal government must meet in connection

with collecting that additional revenue from British Columbia. We would expect the federal government to take steps to assist the province to continue this rapid development in order that the people of Canada including those of British Columbia may enjoy a higher standard of living and a greater Canada.

The people of British Columbia are active and enterprising, and are much encouraged by the sound policy of the British Columbia government, which is noted for being a government that talks less and does more. That this feeling of optimism is growing there is no doubt. We do feel that there should be no encroachment upon provincial rights by the federal government in anything that is done.

Speaking last session regarding transportation facilities I mentioned the highway problem, as recorded at page 180 of *Hansard* for November 19, 1953. But before dealing with the problem of highways, I should like to mention one matter of interest not only to the people in that part of British Columbia from which I come but also to all the people of Canada. We find we have a situation in which there are two large Canadian railroads being subsidized by the taxpayers of Canada. These subsidies put the railways in a position where they can set rates without regard to whether or not they lose money. As long as the railways are being subsidized, there is no reason why the railway company could not carry freight for nothing in order to meet competition.

The trucking problem has been brought to my attention, and the position of the trucking company is becoming hopeless. It might be said by some that the trucking business is being subsidized, but I think that is a long way from the truth. The trucking industry pays a tax of 10 cents per gallon on gasoline and licence fees for the use of the highways. These highways are needed for the lighter traffic as well as for heavy loads on the short hauls on which the railways are not able to give service.

I should like to quote some figures which are very revealing in connection with freight rates and agreed charges. I find that according to the Canadian freight classification there is a fourth class rate of $2.98 against an agreed charge of $2.09, which is being charged for first class freight. I see that the first class freight rate is $5.04, according to the Canadian freight classification. These figures speak for themselves. Again referring to the figures we see that from Edmonton to McBride, a distance of 350 miles, the second class freight rate is $2.26. From Vancouver to Dawson Creek, a distance of 1,400 miles, the first class freight rate under agreed charges is $2.09, or 17 cents less to bring freight 1,400 miles than to take the same freight 350 miles, where there is no trucking competition. I think this situation is grossly unfair and demands the immediate attention of the government.

The whole rate problem must be brought under review. There is no doubt in the world that in a pioneering country especially—and perhaps I need not say "especially"—this is necessary. I am familiar particularly with that part of the trucking industry which serves the constituency of Cariboo. I know that many hundreds of miles of that constituency are served only by trucking. If we have a situation where subsidized railways can cut the rates and take the long hauls away from that trucking industry, it will throw it into a position where it cannot take care of local freight, either. We need the trucking industry, and we must do something to protect it from the ravages of subsidized railways that can cut rates down to nothing, if necessary—because it makes no difference to them, so long as the taxpayer is going to meet the difference, in the final analysis.

I come now to a matter which has been discussed by at least four members so far at this session, and that is the question of federal participation in the construction of arterial highways. I believe that so long as the federal government is collecting the bulk of the taxes from the people in the provinces of Canada, more should be done in connection with the highways. As I said before, this could be linked with the defence program. I believe the time has come when the government should take a close look at the highway situation in Canada, particularly in the light of what is going on in our neighbouring country to the south. We find that United States expenditures planned for the next number of years amount to more than $100 billion. In addition they have planned for $8 billion to be spent on toll roads for the northern and central parts of that country.

In view of the great extension of the roads they already have in that country—and the roads now going to be built are termed as necessary, I understand, under the defence program—we in Canada must surely realize that we are falling far behind in our program of road building. I noticed in an editorial in the Edmonton *Journal* of November 3, 1954, a heading "Military Loads and Roads." One paragraph in the editorial states:

> Last year, provincial highways minister Gordon Taylor requested federal aid in the construction of what would be military traffic arteries in this province. He said that the provinces should not be expected to build highways which would carry heavy military traffic in the event of an attack on

this country. Such traffic would require roads of a very high standard of construction to ensure mobility. The federal government rejected this request when it was made in concert by the western provinces. Nevertheless, it has been apprised of the situation in warnings by Colonel J. R. B. Jones, chief engineer of the Canadian army, of the general inadequacy of Canadian highways for military requirements.

Hon. George Prudham is opposed to construction of military highways outward from Edmonton as he does not think they will ever be needed for such use. It would be well for him to seek instruction from experts of the defence department on this vital subject.

I would not feel justified in stressing the need for highways so much were it not for the fact that we realize the development of any country depends upon its highway and transportation facilities. I would urge this government to take another look at the whole highways situation with a view to providing more aid to the provinces in that regard.

In this connection we do not advocate an increase in the national debt to do the job. I believe the Bank of Canada could be made a bank of issue; and the Bank of Canada as a bank of issue could monetize our national liquid assets, part of the difference between national income and national production. By so doing, without increasing the national debt and without necessarily paying any interest on the money issued, it could bring about a situation where surplus consumer goods not being bought today could be put into the hands of the unemployed. Those people could be set to work to build these badly needed highways. In this way there would be no increase in the national debt. We would only be using liquid assets we already have in the form of consumer goods.

This could apply, of course, to many other phases of government. At the moment I think particularly of our senior citizens and all the other recipients of social assistance who are so badly in need of help, which situation we all recognize.

We have heard a good deal about the unemployment situation, and I am not going to say much about it. However, I do go along with those who advocate bringing about a situation in Canada where we do not have to give out supplementary benefits, but who urge rather that we have a situation under which those who want to work would have the opportunity to do so. We know this is a young country and that there is much to do. We know we have the machines to do it; we have the manpower. Therefore there is no reason in the world why, with the manpower and the machines, the work could not be done, since we have the liquid assets in the form of consumer goods that need to be consumed.

[Mr. Leboe.]

The government of British Columbia took action in connection with the unemployment situation in that province, taking the position that if the federal government was not going to give assistance, then the provincial government would not see the people left without the means of livelihood.

One feature that affects my constituency particularly is that contracts for part of the construction on the Pacific Great Eastern Railway have been brought forward three or four months so that by the spring break-up in the lumbering industry in the Prince George area the work will be getting under way, so as to relieve the unemployment situation during the spring lay-off period. These are situations in which the government is active in looking after its people, and I feel very certain that they are going a long way in their policies to bring about better federal and provincial relations.

We must give more autonomy to the provinces rather than putting the autonomy all in the federal government. We must get back to bringing the government closer to the people so the people of this land will have a closer contact with the government, and therefore be able to let their voices be heard much more often than in the past. We must get back to the position where people can get their needs before the government. The further away we get from the municipal and provincial level the harder it is going to be for the people of Canada to get any action on problems that require government attention.

I do not want to speak too long. In closing I wish to say that I was interested to note that the hon. member for Burnaby-Coquitlam (Mr. Regier) was attempting to pick to pieces, as it were, the British Columbia government. I should like to remind him that for 17 years or so the C.C.F. were in opposition, but the people of British Columbia turned them down at the polls when the time came to elect a government other than the Liberal government that was in power at that time.

Mr. Castleden: On the transferable vote.

Mr. H. J. Murphy (Westmorland): Mr. Speaker, I too want to congratulate the mover (Mr. Leduc) and the seconder (Mr. Carrick) and to add my welcome to the new members who were elected at the by-elections last fall.

I of course am a member from what the hon. member for Burnaby-Coquitlam (Mr. Regier) described as a backward province, namely New Brunswick, in which he said a new house was a rarity. I am sure the places he visited would not be at all

pleased to hear him say that today; and I can assure him, even without visiting his riding, that we have more new houses in Westmorland county than he has in his riding, because last year he rose in his place in this house during a debate on housing and said that many people in his riding were living in tarpaper shacks, to which at the time the hon. member for Burnaby-Richmond (Mr. Goode) objected.

I had intended to say something during my speech about the dredging of a harbour down in New Brunswick, Pointe du Chene harbour, which is part of my responsibility. However, the hon. member, who conducted one of the quickest national surveys I have ever heard of, took it upon himself to take an interest in that harbour in Westmorland county, New Brunswick. I should like to read an extract from the Moncton *Transcript* of June 23, 1954:

> Erhart Regier, C.C.F. member of parliament for Burnaby-Coquitlam, British Columbia, in a two-day speaking tour of Westmorland county was critical of the Liberal government and what he calls "their do-nothing" attitude.
>
> Speaking last night at Sackville and the evening before at Petitcodiac Mr. Regier referred to the needed dredging of Point du Chene channel and charged that the government would do nothing until pressed by united action from several directions.

I have pressed for the dredging of that channel from one direction. That is all I can do. I was looking forward at this session to the hon. member for Burnaby-Coquitlam pressing for it from several directions; but apparently since leaving Westmorland he has lost interest in the dredging of this channel. The newspaper report of his speech goes on to say:

> He said that the people of British Columbia would be pleased to see federal funds spent on the rehabilitation of the maritime economic life as they realize that the prosperity of Canada as a whole depended on the well-being of all parts of the nation.

In that regard he apparently is speaking for the government of British Columbia. Today he was not a bit satisfied with the way the government of British Columbia was running that province. I was startled to hear him pick apart the Social Credit government, particularly after speaking for them. I can also tell him that in New Brunswick the people sometimes do change their minds politically. They did that a year or two ago and elected a Progressive Conservative government. However, since the C.C.F. party was organized in New Brunswick their vote has steadily declined. In Westmorland county the last candidate received about half as many votes as he did four years previously. Socialism in Westmorland county is definitely on its way out.

An hon. Member: As it is everywhere else.

Mr. Murphy (Westmorland): I tell the house that there is no ground at all for the hon. member's remark to the effect that the people of New Brunswick would support a socialist government or a socialist party. My advice to him, to paraphrase an old saying, would be: Stay west, young man, stay west.

I would like to bring greetings to the house from Westmorland county and tell the hon. members that a new star is rising in the east in the person of the newly elected leader of the Liberal party, Mr. Taylor, about whom you will hear more in a few years when he becomes premier of our province.

Mr. Brooks: A pretty dim star.

Mr. Murphy (Westmorland): At the last session I spoke on the Chignecto canal, or the eastern extension of the St. Lawrence seaway. As has been suggested, it can be properly called the eastern passage. I intend to deal with this matter again today, but before I do so I should like to mention other matters which as the representative of Westmorland county I have been asked to bring to the attention of the house.

Firstly, in the centre of Westmorland county is the largest railway centre east of Montreal. It is the headquarters for the Atlantic division, and it is where the repair shops are located. The economic life of my district reacts quickly to any changes in the Canadian National Railways, that is to say, any increase or decrease in the staff of the Canadian National Railways, Atlantic division. To us in New Brunswick this transportation system is more than a business to be run on a profit and loss basis as private enterprise. Separated as we are from the rest of Canada by the state of Maine, it means that we have to travel through an entire state of a foreign country, or around it, to do business with the rest of the Dominion of Canada.

The Canadian National Railways is a public utility, and therefore cannot be considered in relation to the province of New Brunswick in the same light as a private enterprise. The repair shops in Moncton repair and manufacture parts for the entire system, and for a number of years the entire economy of my constituency has been built around these shops. It is most unfair to reduce the staff because of a change-over from steam locomotives to diesels. These tradesmen have been put out of work, and there is no other industry in that locality to which they can turn for employment.

I have been asked by the union representatives in Moncton to protest the lay-offs in the Atlantic region. This request has been made

also by the Canadian National war veterans' association. I am more than pleased to endorse their stand. I suggest that there should be an investigation into the Atlantic region of the Canadian National Railways in an effort to find a means of providing full employment for the railway workers in the maritimes.

Since I spoke last in this house urging the construction of a Chignecto canal or eastern passage, many organizations and citizens have asked that the construction of this canal be started at once. Last summer the maritimes marine workmen's federation, meeting in Sydney, adopted a resolution calling upon the governments of the four Atlantic provinces to demand that the federal government make an immediate start on the construction of a Chignecto canal across the isthmus between New Brunswick and Nova Scotia. Last summer the New Brunswick federation of labour, meeting in Bathurst, New Brunswick, asked for the immediate construction of this isthmus project. The union of municipalities, representing every city, town and county in the entire province of New Brunswick, unanimously supported by resolution the construction of a Chignecto canal. In addition to the groups I have mentioned there are 80-odd other organizations which have endorsed this project.

In September, 1954, the *Maritime Advocate* published an article which would seem to be a boiling down of the sentiments of the citizens of the district in relation to the construction of a Chignecto canal. This reads:

> It strikes me that it is now or never so far as the Chignecto canal is concerned. The St. Lawrence seaway, which will undoubtedly be detrimental to the Atlantic provinces, is going ahead no matter what happens. It is up to the federal government to construct the Chignecto canal which will do a great deal to allay the fears of maritime people that the construction of the St. Lawrence seaway will prove a big setback for the Atlantic provinces. Now is the time for all the federal members from Atlantic provinces to stand together, irrespective of party politics. It is now or never. If there is not concerted action in favour of the construction of the Chignecto canal now then we in the Atlantic provinces may as well give up the fight and stand with our hands out, praying for a few nickels from the wealthy tables of the central provinces.

In addition I have been sent a copy of a resolution adopted at the 54th annual meeting of the maritime provinces board of trade, reading as follows:

> Whereas, during the last session, the Minister of Transport of the federal government expressed his views in the House of Commons that a study should be made into the feasibility of the construction of the Chignecto canal; and
>
> Whereas, it is considered that the construction of the Chignecto canal could be linked with the development of electric power through utilization of bay of Fundy tides and that this development could produce abundant low cost power which would greatly enhance the opportunity of attracting industries to these maritime provinces,
>
> Therefore, be it resolved: that the maritime provinces board of trade, assembled in session at Halifax, Nova Scotia, this 4th day of October, 1954, urge the government of Canada to investigate at the earliest possible moment the feasibility of the construction of the Chignecto canal, at the same time keeping in mind the possibility of power development as an allied phase of any such construction.

Also in the same month the Atlantic regional employment committee of the unemployment insurance commission is reported in the Saint John *Telegraph-Journal* of August 29 as having passed a resolution in connection with the Chignecto canal, reading as follows:

> The second resolution pointed out that a canal through the isthmus of Chignecto would prove "highly beneficial" to the maritime provinces and greatly expanding national economy.
>
> Benefits of such a canal would be toward greater national defence, faster ocean communication and speedier means of shipping, the resolution continued.
>
> "Creation of a canal piercing the Chignecto isthmus would seem complementary to the St. Lawrence and great lakes development now being undertaken by the federal government", the resolution said.
>
> Points in favour of the canal are, according to the resolution, possibility of a number of starting points for convoys, greater ability on the part of the "western allies" to dispatch convoys from different points on the eastern Canadian coast, and effective deterrent to aggression and inevitable influence to Canadian and American industry by the mineral discoveries of the Ungava peninsula and Bathurst area.
>
> The resolution declared also that advocates in the United States of the Passamaquoddy power development "have definitely maintained for some time that a Chignecto canal would have influence on industrial development in the Atlantic coast section of New England."

Last year I traced the history of the Chignecto canal back over a period of about 300 years. I pointed out that promises had been made by former governments. There had been times in our history when the construction of the Chignecto canal seemed to be very certain, but in the past not too much has been said about the power aspects of the Chignecto canal. It might be likened to the St. Lawrence seaway which is said to be a water route from central Canada to other countries of the world; but the consequent development of power which would be available to the central provinces is most important.

We in New Brunswick need cheap power. I believe a by-product of the construction of a Chignecto canal, if properly planned, would be a block of power which would improve the economic condition of our area. There have been many routes suggested for the canal, all of which are practical, but I am

not concerned so much with the route as with the acceptance of the principle of the construction of a canal to pierce the isthmus.

The construction of this canal would provide a short route in sheltered waters to the trading points in the bay of Fundy and in New England for the products of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland. It would increase coastwise shipping between the gulf of St. Lawrence, the bay of Chaleur, Northumberland strait and the bay of Fundy. It would increase regular steamship sailings between the Atlantic provinces and central Canada. A Chignecto canal would make it convenient for vessels plying between Montreal and points on the Atlantic seaboard to call at ports not only in the bay of Fundy but in northern Nova Scotia, Prince Edward Island and northern New Brunswick, and enable them to load or discharge cargoes and passengers. It would revive native industries which flourished years ago, and it would create a new economy in the Atlantic provinces.

It may surprise many residents of Canada to know that four years after confederation the percentage of population employed in industry in Prince Edward Island, Nova Scotia, and New Brunswick, was almost equal to the percentage of population similarly employed in Quebec and Ontario. Seventy-five years later, however, a tremendous change took place. Ontario and Quebec had been steadily enriched and their industrial employment average rose. In the Atlantic provinces there had not been an increase but a devastating decline. Incidentally, in that period New Brunswick dropped from first place to fourth among the five provinces.

Prior to confederation the maritime provinces were regarded as the most prosperous in British North America. New Brunswick, on a per capita basis, was the most industrialized of any of the provinces then comprising Canada. The lack of a Chignecto canal is one of the reasons our prosperity and industrial development have lagged far behind Quebec and Ontario. In 1871, of every five Canadian industrial workers, one was employed in the maritimes. In 1946 the ratio had dropped to one out of every 17. Again, in 1871 the industrial wage paid to the worker in New Brunswick was the highest in Canada. In 1946 that province had almost the lowest wage rate in Canada.

Besides the tremendous saving in shipping distances, the building of the canal would mean that many of the present small ports would be developed to carry on both a coastwise and an ocean-going business. The time then has come, after many attempts over the past 300 years, for the government to fulfil its confederation promise and build the Chignecto canal.

Before closing there is one other matter I would like to bring to the attention of the house, for it is a matter of serious concern to us in New Brunswick. That is the plight of our farmers. It is true that we have many successful farmers outside our larger towns and cities, most of them specializing in daily farm products such as liquid milk for the supply of these centres. But if you drive through Westmorland county and some of the adjoining counties you will see many abandoned farms with windows in the houses boarded up and the place left to rot. That is a terrible situation, and I would like to know of some way in which to remedy it. We have, of course, a Canadian farm loan board, but apparently that was designed more to assist the farmers of western and central Canada, and in my opinion it is not suited to the purpose of assisting the farmers in New Brunswick. To the best of my knowledge there was only one Canadian farm loan board application granted in Westmorland county last year. I may be wrong, but certainly there were not more than three or four.

In this connection I would like to point out, and it should be recognized in the regulations, that there are other types of farming in addition to those known in central and western Canada. In New Brunswick a man could have a farm close to the sea and during a few weeks of the year he could go down to the shore line and fish. This would provide him with a small cash income. In another district a farmer may have a wood lot at the back of his farm from which he cuts a certain amount of wood each year, in fact probably the same amount as his father and grandfather cut in their day. Out of that small supply of wood he makes another small cash income. In addition, part of his farm may be composed of rocky land on which nothing grows very well except small spruce and fir trees. Each year in the fall he thins them out for the Christmas tree trade. In fact in New Brunswick this has become quite an industry, and I am told that last fall nearly 10 million trees were shipped from that province.

The point I wish to make is that a farmer may farm his wood lot, he may farm his spruce and fir trees for the Christmas trade, or he may fish along the edge of his farm, but it appears that this type of farming is not to be recognized under the regulations

of the Canadian farm loan board. The regulations should be broadened so that greater assistance may be given to the farmers in Westmorland county and all New Brunswick, and so drafted that it will be much easier than it is now for such farmers to obtain loans.

I shall not take up the time of the house to mention the many benefits we have received which have been provided by the Liberal party for the people of New Brunswick, but I do want to mention in closing that we are not as poor or as hard up as the hon. member for Burnaby-Coquitlam made out earlier today.

Mr. H. P. Cavers (Lincoln): Mr. Speaker, at the outset I should like to take this opportunity to congratulate the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne, not because it has become a customary practice to do so, but because of the excellent manner in which they acquitted themselves on Friday last.

We have been told that the hon. member for Verdun has an outstanding background as a scholar and a jurist in his native province. Those of us who come from the province of Ontario know the member for Trinity as a prominent athlete, an outstanding scholar and a notable member of the bar of this province. I am sure that both these members will represent the people of their constituencies in a manner that will do credit to themselves and to the provinces from which they come.

The past twelve months have brought many new obligations to Canada in the sphere of international affairs. Canada has assumed the responsibility of endeavouring to work out a satisfactory armistice in Indo-China during the past six months. Our representatives have attended conferences in London and Paris in order to bring about a European alliance and unite the countries of western Europe. We in Canada endeavoured to be a genial host to representatives who came to this country in connection with the Colombo plan conference. In all these projects our delegations have contributed their sincere and faithful efforts to maintain peace among men of good will.

It is traditional that representatives who come here and the people of Canada generally think very much alike as to what our position should be in the matter of international affairs. During the past summer I had the honour of being one of the delegation that attended the commonwealth parliamentary conference in Nairobi. One of the things noticeable there was that our delegates, regardless of their political affiliations in Canada, all thought alike as far as the fundamentals of freedom, security and humanity were concerned. The Canadian people expect us to show the same united front in opposition to tyranny, oppression and aggression in dealing with international matters in this house. Canada is united at the present time as never before in her history in those things which are most important to the people of this country. This state of union in our country reflects credit on the wisdom, foresight and veracity of our national leaders both past and present.

The present administration has been responsible in the past for many measures of social reform, so it is not surprising to me to see reflected in the speech from the throne certain refinements to many of these social reforms. We must admit that there are certain patches of unemployment throughout the country. These matters require attention, and the people of Canada will be glad to know that amendments to the Unemployment Insurance Act are being introduced this session at the earliest possible moment. These amendments will provide a measure of relief for those people who are unemployed. The scale of supplementary payments will be placed on a par with regular payments. Labour organizations throughout the country are looking forward to a general overhaul, as forecast, of the Unemployment Insurance Act itself.

As one of the members of the veterans affairs committee of this house, I was proud to learn that certain amendments were being introduced at this session dealing with the war veterans allowance. Veterans' groups throughout the country will welcome these proposed amendments. With the hon. member for Welland (Mr. McMillan), I attended meetings of veterans' groups in the Niagara peninsula before coming here. I am sure these groups are not asking for the ultimate and that they will be satisfied with the increase in basic rates and the raising of the ceiling on permissible incomes which will be provided in the amendments to be submitted by the Minister of Veterans Affairs (Mr. Lapointe).

I am pleased to note that some amendments will be made to the Blind Persons Act. I cannot think of a greater handicap any person can have than blindness. These blind persons bear their burdens cheerfully and admirably. During the past three months I have had occasion to visit the blind persons of our community. Many of them said to me that they find it most difficult to provide a normal existence for themselves. I should like to congratulate the Canadian National Institute for the Blind on providing some

education for leaders whose duty it is to supervise the activities of blind people and to plan entertainment and recreational facilities for them. Training courses in arts and crafts enable the blind to supplement their small pensions. We provide for them the opportunity to conduct curio booths and newsstands in our public buildings, railway depots and hospital foyers.

If these people have the industry, initiative and courage to develop their talents, and if they have the perseverance and ability to earn small incomes, I believe they should be given some special preferment in the matter of their earnings. Although it may not be provided in the present amendments, I look forward to the day when blind persons may be able to accept pensions without the imposition of a means test at all.

I was happy to note that the administration intends to embark on a satisfactory policy of public works. The people of St. Catharines, whom I have the honour to represent, are gratified that the Minister of Public Works (Mr. Winters) has seen fit to provide a federal public building in that city. This accommodation is greatly needed in a community that has shown unusual expansion in the past decade. There is a great need for proper accommodation for federal offices in our community.

We feel that we have another public works project in our area that requires immediate attention. I refer to the clean-up of the old Welland canal. Three canals have been built across the face of the Niagara peninsula by federal governments during the past century. These canals were built to provide a more expeditious route for shipping to avoid the natural barrier at Niagara Falls. The unused Welland canal, which passes through Thorold, Merritton, St. Catharines and Port Dalhousie, has become an unsightly, pestilential cesspool. The municipal governments in the area have come to an agreement as to the method that should be followed in cleaning up this unsightly mess. They have decided to remove the locks, fill in the banks and narrow the channel.

I say the municipalities have come to an agreement. They have agreed on the method of construction. They have not agreed as to the proportion of cost, and it is hoped that the Department of Transport will be generous to these municipalities in its contribution toward the cost of construction. In addition to improving the general contour of the area, the project will provide useful employment for residents of the adjoining municipalities.

I should like also to bring to the attention of the Minister of Transport (Mr. Marler) a difficulty which has arisen near the Welland canal. The present Welland ship canal is crossed by the Queen Elizabeth way in the township of Grantham at Homer. By reason of the fact that the bridge must be raised and lowered many times during the shipping season, frequent interruptions have caused great delay and confusion in the traffic which travels along the Queen Elizabeth way. I hope that engineers of the Department of Transport and the Ontario department of highways may devise some method which will relieve this confusion and avoid the bottleneck that now exists. It is a matter that requires the co-operation of the two levels of government. An early meeting, I hope, will be held when some of the residents of our area will discuss the matter in a more elaborate way with the Minister of Transport.

This is not a problem which concerns only the residents of my constituency, although they are directly affected. It is of indirect concern to the travelling public of many provinces of Canada, and many of our guests who come from several of the states of the union to the south.

During the past six weeks Canadian ministers of the crown have been engaged in endeavouring to get the United States of America and the United Kingdom to agree to certain provisions for the overhaul of the general agreement on tariffs and trade. Great efforts have been made by the right hon. Minister of Trade and Commerce (Mr. Howe), who has attended negotiations in London, Washington and Geneva. While the efforts he has made have not met with the success we would like, I am convinced that the situation will clarify itself. Present reports coming from Washington indicate that the President and congress may be more amenable in the future. It was encouraging to hear the minister say that further efforts would be made to see if this agreement could be carried out. The Minister of Trade and Commerce has been quoted as saying that "the collapse of GATT would be the worst possible thing that could happen; it would be a catastrophe to the free world." It is our hope that an agreement may still be reached which will be mutually advantageous to ourselves and to all other member nations.

I should not allow this opportunity to pass without saying something about the proposal to amend the rules of this house. We heard the Prime Minister (Mr. St. Laurent) say yesterday that this subject would be handed to a special committee for discussion during this session. I am sure that the amendment of our rules would do much to expedite the

conduct of business here. The Prime Minister endeavoured to give us some idea of his thinking in the matter when he arranged that the mover and seconder of the address in reply to the speech from the throne would speak on the same day as the address itself was delivered. This would indicate to me a desire on his part that we should make better use of the time at our disposal here.

It is my opinion that the speeches of private members should be limited to 20 minutes. I believe the proposal would be to limit speeches to 30 minutes.

An hon. Member: You have spoken for 25 minutes now.

Mr. Cavers: I believe I have spoken for about 18 minutes. The Prime Minister and members of the cabinet, the leader and certain designated members of the opposition, the leader of the C.C.F. group and the leader of the Social Credit group might be given 40 minutes. It seems to me that the average member in this house could very well clarify his thoughts and present them within a period of 20 minutes. I believe also that a limited time could be allocated for the speech from the throne and the budget debate. This would not deprive any member of the opportunity to speak, but it would improve the quality of debate and shorten the length of the session.

I have addressed groups throughout my constituency on this subject in order to gain some idea of how our constituents feel about the matter. I have talked with others in private conversation. The Canadian people do not wish to lose respect for parliament, but they do feel we should conduct the affairs of the nation in a businesslike and efficient manner and with reasonable dispatch. They ask us to give them an honest and conscientious administration of affairs. We can do this without long, laboured addresses in this chamber. When these amendments are presented, I feel it will be a step in the right direction, and the measure should receive support from all parts of the house.

I have been reminded that I have spoken for some time. I think I have now completed 20 minutes, so I thank you, gentlemen.

Mr. Hees: As it is now ten minutes of six, may I move the adjournment of the debate?

Mr. Deputy Speaker: Is that agreeable to hon. members?

Mr. Harris: I have no particular objection, Mr. Speaker, but we have been wasting a lot of time adjourning before the hour. I think five minutes ought to be agreeable but when it is ten I think we ought to have the advantage of hearing what the hon. member would like to say.

Mr. Rowe: It is Wednesday night.

On motion of Mr. Hees the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris moved the adjournment of the house.

He said: Tomorrow, after orders of the day, we shall take second reading of the bill with respect to the Unemployment Insurance Act, and then revert to this debate.

Motion agreed to and the house adjourned at 5.50 p.m.

HOUSE OF COMMONS

Thursday, January 13, 1955

The house met at 2.30 p.m.

RIPPLE ROCK

TABLING OF REPORT ON REMOVAL

Hon. Robert H. Winters (Minister of Public Works): I beg leave to table a report, prepared at the request of my colleague the Minister of Trade and Commerce (Mr. Howe) on the removal of Ripple Rock, which is a submerged navigational hazard in Seymour narrows, about 100 miles north of Vancouver. This report has been prepared by the associate committee for navigational facilities on the west coast, established by the national research council to study this project.

This committee was established after two previous attempts to remove the rock by surface methods, using techniques then known, were unsuccessful. This report concludes that the rock can be successfully removed either by surface operations, using present-day techniques, or by tunnelling. It recommends in favour of the latter as being the more positive approach.

I have asked Mr. Victor Dolmage, an eminent consulting geologist, who has had wide experience on the Kitimat project and other undertakings of this general nature, to indicate whether, in his opinion, this report could be translated into an engineering approach to the problem complete with plans and specifications.

Mr. Dolmage has now reported that in his opinion this is entirely practical, and he has been retained to prepare the required plans and specifications. It is anticipated that tenders will be called and that the work will be done under Mr. Dolmage's general supervision, on behalf of the Department of Public Works.

It is estimated that it will require some six months to prepare plans and specifications and that the rock can be removed within a space of two years after the contract is awarded. It is estimated that the total cost involved will be in the vicinity of $2·5 million. Funds will be sought in the supplementary estimates for the next fiscal year in an appropriate amount to cover expenditures incurred in 1955-56.

[*Later:*]

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to ask a question of the Minister of Public Works arising out of his statement. Can the minister give assurance to the house that the government will take all necessary steps to protect the residents in the vicinity of Ripple Rock against any possible loss or damage to property arising out of the blasting of the rock.

Mr. Winters: I can say that is one of the factors that have been taken into consideration.

PUBLIC ACCOUNTS

PUBLIC ACCOUNTS AND AUDITOR GENERAL'S REPORT

Mr. W. M. Benidickson (for the Minister of Finance): On behalf of the Minister of Finance, Mr. Speaker, I should like to table the public accounts and the report of the Auditor General for the year ended March 31, 1954.

CANADIAN NATIONAL RAILWAYS

PROPOSED LEASE OF NEW HOTEL IN MONTREAL

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Yesterday the hon. member for Oxford asked me if any protests had been received from the hotel association of Canada in connection with the administration of the proposed Canadian National hotel in Montreal. I told him that I did not think I had received any, but over the week end a letter had been received from Mr. Caswell, executive chairman of that organization, containing a resolution which I think does amount to a protest in that connection and which asks for reconsideration of the matter.

Yesterday or this morning, I am not sure which, a letter was received from the Alberta hotel association, enclosing a copy of

a resolution which seems to be in the same terms as the other resolution. I am informed that similar letters were addressed to my colleague the Minister of Transport, and that the resolution has been referred to the authorities of the Canadian National Railways.

SALE OF HOTELS—PROTECTION OF RIGHTS OF EMPLOYEES

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): I should like to direct a question to the Minister of Transport. Can the minister give the house any information about the sale of Canadian National hotels, with particular reference to the safeguarding of the rights of the employees concerned?

Hon. George C. Marler (Minister of Transport): I may say that I received notice of this question just a few minutes ago. I shall endeavour to answer it on the earliest possible occasion.

BOOK OF REMEMBRANCE

SECOND WORLD WAR—PROBABLE DATE OF COMPLETION

On the orders of the day:

Mr. O. L. Jones (Okanagan Boundary): Will the Minister of Veterans Affairs say whether the government has yet decided about the placing of the second world war book of remembrance? If so, when will the book be placed in its permanent home?

Hon. Hugues Lapointe (Minister of Veterans Affairs): This matter is under active consideration at the present time. For the information of my hon. friend and members of the house I may say the book of remembrance for world war II, which was expected to be ready at the end of 1955, might not be completed until a later date.

IRRIGATION

SOUTH SASKATCHEWAN RIVER—INQUIRY AS TO PRESENT POSITION

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Prime Minister. What is the present position of negotiations that have been going on between the Saskatchewan government and the federal government with regard to the South Saskatchewan dam and irrigation project? Is it a fact that a tentative agreement has been arrived at as the basis of a distribution of costs as between the federal and provincial governments?

[Mr. St. Laurent.]

Right Hon. L. S. St. Laurent (Prime Minister): There has been no tentative agreement arrived at, Mr. Speaker, as the basis of a distribution of costs because there has not yet been any decision by the federal government that it could take the responsibility of recommending this project to parliament as one that would be in the national interests of Canada generally.

Mr. Diefenbaker: May I ask an additional question? Is it not a fact that the federal government has submitted to the government of Saskatchewan some tentative agreement?

Mr. St. Laurent: No, I would not say it is a fact that the government of Canada has submitted to the government of Saskatchewan a tentative agreement. I understand officials of the P.F.R.A. have been discussing with officials of the Saskatchewan government what terms might be acceptable to the government of Saskatchewan if a decision were made. And I understand that my colleague the Minister of Agriculture (Mr. Gardiner) has had some interviews, discussing the draft that has been prepared by the officials with the premier and members of the Saskatchewan government. But that is as far as the negotiations have reached at this time.

I have seen this draft that was prepared, and there were provisions in it which I feel quite sure we would not be prepared to recommend to parliament. That is where the matter stands at the present time.

Mr. Diefenbaker: Was that the provincial draft, sir?

Mr. St. Laurent: Well, I cannot say that it is a provincial draft. I am rather under the impression it is a draft that was prepared by officials of the P.F.R.A., who have always been convinced that it was a project that should be proceeded with.

Mr. Coldwell: May I ask a supplementary question. Are we to understand that the Minister of Agriculture in these negotiations has been negotiating on his own?

Mr. St. Laurent: Oh, no.

Mr. Coldwell: Because the Saskatchewan government is under the impression that the latest proposal is sent from the government of Canada to the government of Saskatchewan. That is the way it has been put to me.

Mr. St. Laurent: The minister has not been negotiating on his own. But if there is any impression that this is a proposal for the carrying out of the project by the government of Canada, it is a misapprehension; I think they are well aware that there has been no decision made yet to go ahead with the project at this time.

COMBINES INVESTIGATION ACT

LOSS LEADERS—INQUIRY AS TO TABLING OF REPORT

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I should like to ask a question of the Minister of Justice. When does he expect to receive the report of the restrictive trade practices commission following its investigation into the whole practice of loss leader selling?

Hon. Stuart S. Garson (Minister of Justice): I should think, Mr. Speaker, within about two months.

UNEMPLOYMENT INSURANCE ACT

AMENDMENTS INCREASING SUPPLEMENTARY BENEFITS

Hon. Milton F. Gregg (Minister of Labour) moved the second reading of Bill No. 6, to amend the Unemployment Insurance Act.

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, it is not our purpose to deal at length with this bill because, as was stated when the resolution was discussed, the bill is pretty much in line with that resolution. However, there are one or two things I would like to say.

I would refer first to a technical matter. I notice that in deleting subsection 1 of section 93 no provision has been made for renumbering the other sections. I believe that will have to be accounted for in some way. We now have subsection 2 as the first subsection in section 93, and no mention is made in the bill of renumbering the sections.

Then with regard to the table of rates, as I said the other day members in the official opposition as well as other members in the house have spoken at different times with respect to adjusting the rates of supplementary benefits since the rates of regular benefits were raised. I cannot help wondering just how the department got around the fact that despite subsection 1, which is now to be repealed, and which says that the rates of supplementary benefit shall be 80 per cent, during the period of time since the regular rates of benefit have been raised the rates of supplementary benefit have not been anything like 80 per cent.

As a matter of fact in some cases, notably in the lower rates, they ran about 80 per cent; but the higher the rate of daily contribution ran, the lower proportionately has been the rate of supplementary benefit which was paid. In the top class, for a person with dependents the amount paid was just 70 per cent, despite the fact that the act says the supplementary benefits shall be 80 per cent. I also note that apparently those persons without dependents have fared much better, in ratio, than those who had dependents; because even in the top bracket they managed to get 75·44 per cent whereas persons with dependents received only 70 per cent.

Probably the minister will explain that when he speaks. Now that the act is to be amended I mention this only as a matter of interest, but it has been a fact that people have been deprived of their just rights under this section.

Then with regard to section 94, last year when the season was well advanced we asked on two or three different occasions whether any plans were made, because of the urgency of the situation, to extend the period for the payment of supplementary benefits beyond April 15. The answer we received was that the matter was under consideration and, finally, that no action would be taken.

And so, Mr. Speaker, to support the remarks which were made in the house during the course of the debate on the resolution the other day, and at other times, and in order to bring this matter to a head I should move an amendment to clause 2. Shall I move it now or wait until the section is before the committee? Perhaps I should wait, and when clause 2 is before the committee of the whole I shall offer my amendment.

With those remarks, we are satisfied.

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, there is not much one needs to say with regard to this bill more than was said when the resolution was before the committee of the whole house a few days ago. But I wish to emphasize by just how much this measure, useful though it may be, fails to meet the unemployment situation, at least in my part of the country. Before leaving home to come to Ottawa for this session I had more calls in regard to unemployment than at any time, I believe, since the winter of 1938-39.

I appreciate the value of this so far as it goes. The labour organizations have been asking for it for a long time. The bill does two things. It extends the period in which supplementary benefits may be paid, and it raises the amount of the supplementary payments to that of the regular payments under the Unemployment Insurance Act.

I was again interested in seeing the benefits under the Unemployment Insurance Act, which will now be the supplementary benefits as well as the regular ones, and noting the very little difference between the weekly benefits of a person without a dependent in the first category, who has contributed, and a person with a dependent. Under the act an unmarried person without a dependent now

receives a weekly benefit, whether regular or supplementary, of $4.20. If he is a married man and has a wife and, say, one child he gets weekly benefits of $4.80, which is 60 cents more than he would receive if he were a single person. Then the amounts go up a little bit but, if we take the next category, it is $6 for the person without a dependent and $7.50 for a person with dependents.

What is required here is the raising of the amount of the benefit in all categories. I believe for some time at least these amounts could be raised without any change in the contribution. Because of the increases in the cost of living since the rates were established, those rates now provided are no longer adequate. The more unemployed we have, and the longer the period during which people are unemployed, the more inadequate the rates will become.

While there is no intention on our part to delay this measure in any way—as a matter of fact we wish to hurry it along as much as possible—we wish to say that as far as we are concerned it is very definitely an instalment, and a very small instalment, of what must be done for the unemployed if we are to enable them to live as citizens of this wealthy country should live.

Mr. C. E. Johnston (Bow River): It is not my intention to hold up this bill at all. We all had a chance the other day to say what we had to say with respect to the general principle of the bill, and everyone agreed that action should be taken immediately.

When I was speaking the other day, I said in a general way that this was not going to be a cure-all for the problem of unemployment. I recalled vividly the situation that exists in my own constituency and in Drumheller, where the coal mining industry is practically a thing of the past. In fact it got to be so bad that the provincial government had to allot, I think it was, $100,000 in order to move the miners out of that district entirely, because they could see that the coal mining industry, as far as western Canada is concerned, is getting worse rather than better.

Of course part of the blame can be laid on this government because of their policy in regard to the importation of foreign coal. But as I see it, the benefits from unemployment insurance are certainly not going to help in the Drumheller district. That is what I am concerned about. What are we going to do with these people after this legislation is in force and they have exhausted their 60-day minimum payments? That is the question that is bothering the working people of the day.

[Mr. MacInnis.]

This is going to be of assistance. It introduces an increase in the amount of supplementary benefits, and it also introduces a new principle, in that we are now going to establish a 60-day minimum period during which supplementary benefits may be received. That is all to the good, but it is not in any way going to solve the problem of unemployment. I know that the minister will say right away that it was never intended to solve the problem of unemployment. But if things are going to continue to get worse, as they have in the past—and we must acknowledge that; I think the minister himself acknowledges that now—in the employment field, then what is going to happen after the supplementary payments have been exhausted?

This is only a palliative, and it is a mighty small one at that. It is going to be gratefully received; it is something the workers are entitled to. Hon. members and the minister should be greatly concerned; and he should bring down amendments, which he has already indicated he intends to do, that will materially assist in meeting the unemployment problem until such time as the workers are re-employed, not until such time as the 60-day period has elapsed. That is the responsibility of this government, and that is something we have to do.

Any further remarks I have to make, Mr. Speaker, I shall make when we come to the sections of the bill.

(Translation):

Mr. Lionel Bertrand (Terrebonne): Mr. Speaker, the measure introduced by the government is highly satisfactory to me and I wish to say how much I am gratified by it. In the first place it is not to be denied that extra winter benefits have been and continue to be of very great value to workers faced with seasonal unemployment. The government must be commended for their decision in making these benefits equal to ordinary benefits.

The people of my constituency are kept very busy during the summer months in the building trade and other related fields. But during the winter they have more difficulty in finding employment of a permanent nature. I support this measure without any reservation whatsoever.

I understand, of course, that it is not calculated to strike directly at the unemployment situation in our area, a situation which at times, during 1954, has been a source of very real concern, to say the least. A number of industries in my constituency have had to face competition from foreign products. Goods manufactured abroad where labour is paid at ridiculously low rates have been flooding

this country, selling at prices which our own businessmen are unable to match since they have to keep on paying salaries designed to maintain the high standard of living of which we are so proud. That is why the government should be careful in advocating certain types of trade, even though trade may be generally advisable and even necessary to our national economy. They must do everything in their power to protect the interests of our own Canadian firms, such as the Dominion Rubber located in St. Jerome, or the Regent Knitting Mills of the same city, both of which are indispensable to local progress and employment. And if, through our trade policies, some plants or companies happen to be harder hit than others, the government must show them special consideration when it comes to letting contracts; such action will be appreciated by all.

Canada must trade with all the countries in the world and this trade, which is bound to be bilateral, is not without causing some unfavourable or irksome reactions here and there, in various spheres of our national economy. It therefore behooves the government to compensate, in one way or another, the business enterprises which, with a view to ensuring the progress of the community, make more personal sacrifices than others.

Along with the government I believe that Canada is going through a transition period and I hope to witness in 1955 the levelling-off of a situation which at times, in the last few months, has caused great concern to the people. Some of our bank presidents, in their annual speeches, remain optimistic about the future. According to yesterday's papers, the president of the Banque Canadienne Nationale, Mr. Charles St. Pierre, in his address to the directors on the occasion of the 80th annual meeting, made the following statement which is worth quoting:

> The levelling off which was experienced last year was not unexpected. It is easy to realize that Canada cannot advance by leaps and bounds indefinitely without interruption. Periods of readjustment are indispensable to assure a sound economic development. The year 1954 was one of those stabilization periods. When it is looked at in its proper perspective, it will doubtless appear as a milestone in the expansion of our country.
>
> Canada is a new country, a country in full growth, and, however great are its riches and however brilliant its future, it cannot escape the impact of the world's economic fluctuations. All the less so because, being a great exporting country, its prosperity is linked up with foreign markets. The business trend in the United States, the slowing down of which has had repercussions on our own economy, has again improved during the last months of the year. There is therefore reason to believe that our trade with our chief market will recover the lost ground.
>
> However, Canada must also reckon with the other countries. Now the development of production in the world as a whole and the resumption of international competition resulting therefrom indicate that the post-war period is at an end. Already there are signs that the return to a more normal order of things is giving rise to problems which demand efforts at readaptation. The necessary readjustments which have already begun will have to be pursued in several fields, and we are justified in hoping that they will be successfully achieved in the near future.
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> If a survey of the present situation may incline one to be prudent, none the less a sober optimism is justified at the beginning of this new year.

I have faith in my country, with its boundless resources and its promising future; it is far from having attained the maximum development. And the responsibility of this government, the duty of this parliament is to find the best way to make our Canadian homes safe from unemployment and insecurity.

The government intends to bring down more elaborate amendments to the Unemployment Insurance Act. Personally I would have preferred the supplementary benefits to be paid from December 15 to April 1, instead of from January 1 to April 15. If the supplementary benefits were paid in December those entitled to them would get them during the Christmas season. That, to my mind, would make the act more humane still at a time when, for a lot of people, the end of the year is not so much a halt as a hope of better days.

And I have another suggestion to put before the government. I think the Unemployment Insurance Act could be amended so that the women who get married may recover the amount they have paid into the unemployment insurance fund. Such amount could be paid to them in a lump sum upon proof of marriage; should they seek employment later on, they would have to qualify again in order to be entitled to the benefits.

My county has three unemployment insurance offices. I want to pay a tribute to the personnel of those offices, to the way they receive the public and help them. They perform a task which is often thankless and always ticklish. They serve their country, they are the distributors of the wealth of a community during the all too numerous periods of hardship, and they are also the administrators of a great act which, 15 years after it was put in our statutes, proves how farsighted was the party to which we are indebted for it. The Unemployment Insurance Act has proven indispensable. If ever health insurance is added to unemployment insurance, the two words most dreaded by those who have to toil and moil every day of their life, unemployment and sickness, will make way for security. Security means peace for those who strive.

(*Text*):

Mr. George H. Hees (Broadview): Mr. Speaker, as has been said by earlier speakers, this bill does two things; it increases the rate of supplementary benefits and it increases the minimum number of days from 18 to 60. As the hon. member for Hamilton West (Mrs. Fairclough) has said, our party has no fault to find in regard to these details. For several years we have been urging the government to do this sort of thing, and we are now glad to see that they have made it a reality. However, the bill specifies that the supplementary benefits can be paid only during the period January 1 to April 15. I contend that these benefits should be paid during other periods as well, and that is what I want to speak about this afternoon.

This bill is designed to alleviate hardship which would otherwise be experienced by people whose unemployment insurance credits have expired during the winter months. The government has learned at long last, after it has been pointed out to it during the past two or three years by the opposition, that people cannot live on 80 per cent of their unemployment insurance benefits. We are very glad to see that they have learned at last that—

Mrs. Fairclough: They cannot live even on 100 per cent.

Mr. Hees: As the hon. member for Hamilton West says, they cannot live on even 100 per cent. I think that is so true. In refusing to pay these supplementary benefits until January 1, the government is assuming that people whose credits have expired before that date can in some miraculous fashion go into hibernation until the first of the year, and that they and their families are not going to require food, clothing and shelter until that time.

If it is necessary, and it most certainly is necessary, to increase these supplementary benefits from 80 per cent to 100 per cent of the regular benefits, then how much more necessary it is to increase the supplementary benefits from zero to 100 per cent during the months, say, of October, November and December! Hunger and hardship just do not understand this government's timetable. You can be just as cold, just as hungry and just as sick during the month of November as you can in the month of February.

If a man or woman is willing and anxious to work, and through no fault of his or her own cannot find work during the months preceding the first of the year, then somebody must assume responsibility for that person and his family. The municipalities have no funds to do it; the provinces have no funds to do it. For some years past it has been the overwhelming opinion of all people who have made studies of this problem that this is a federal responsibility. They have urged the federal government to assume its responsibility in this matter. However, despite this overwhelming body of opinion, this government has continued to duck its responsibility, and I believe that by so doing it is showing a shocking lack of concern for the people for whom it has a primary responsibility.

This matter must be faced up to, and I think the time is long overdue for the government to come to grips with the problem and tell the Canadian people what it is going to do. For two or three years past I have asked the minister to tell the country what his views are on this problem, and the minister on behalf of the government has refused. I am going to ask him again today. I hope he will give us an answer, because the country is waiting for that answer.

I would like to cite a few opinions expressed on this matter by bodies set up by the government. First of all we have the Sirois report, which contains these two major points:

(a) Responsibility for all unemployed employables rests with the federal government;
(b) Responsibility for all other persons requiring public assistance rests with the provincial and municipal governments.

On page 42 of book II of the recommendations, the report states:

Unemployment relief should be a dominion function and provincial responsibility for other welfare services should continue . . .

As I stated on Tuesday, the late Prime Minister Mackenzie King, at the dominion-provincial conference of 1941, expressed his opinion forcibly, and because they are short I will repeat his remarks today because I think they are vitally important. They may be found at page 12 of the report:

The transfer to the federal government of the whole cost of relief for the employable unemployed and their dependents is the logical outcome of the experience of the past. It would prevent a repetition of the confusion, the inefficiency, the waste, the delay and the inequalities that have admittedly prevailed in relief since 1930 . . .

Another important opinion on this problem may be found at page 49 of the Marsh report prepared in 1943 at the request of this government. The report has this to say:

The logical location for the service . . . is the dominion employment service, or some branch of it. The service that the local offices—

That is the offices of the unemployment insurance commission.

—would have to perform would be:
(1) To register those applying for unemployment assistance.
(2) To decide . . . whether a person should receive assistance; in what amounts; and for how long a period; and,
(3) To issue the cheques or vouchers.

At the dominion-provincial conference of 1945, convened by this government, the following proposals were put forward by the government, and are found at pages 42 and 43:

As a part of the general arrangement with the provincial governments, the dominion government now proposes to establish a practicable and comprehensive system of assistance to able-bodied unemployed persons as soon as possible, rather than waiting until the need for it actually arises.

I would emphasize, Mr. Speaker, that these views were expressed nine years ago. The report continues:

Such a plan must fit into and make the maximum use of the structure and machinery of the existing unemployment insurance system. It would not be sensible to set up a different system requiring a different kind of administrative machinery. The plan proposes acceptance of dominion responsibility for unemployed employables, and provincial and local responsibility for unemployables.

Those were the suggestions put forward by the present government, and we are still waiting for their implementation. I would like to cite one more opinion, namely that expressed by the association of Canadian mayors and reeves. This important body meets annually, and on November 26 they submitted a brief to the dominion government in which they set forth the following:

The provision of financial assistance to a growing number of unemployed employable persons can constitute a severe drain on the fiscal resources of an urban community. Moreover, as the experience of the depression of the thirties indicates, an adequate program of unemployment assistance is beyond the capacity of a municipality to provide. In a federal country the responsibility for developing such a program must necessarily be assigned to the federal authority. Indeed, studies of this problem have consistently recommended that the federal government should assume responsibility for an adequate relief program for the employable unemployed.

This body comprises people who come in close contact with the problem of unemployment, and who look after the provision of funds to provide assistance. They are the ones who know most about it, and for years they have been urging the federal government to accept its responsibility, as in 1941 and in 1945 it agreed it would. The association of mayors and reeves is simply saying to this federal government, "Carry out the pledge you gave at two dominion-provincial conferences. You should accept your responsibility, and now is the time to do it".

The association has made its plea on four grounds: First, that the economy of the country is guided to a large extent by the fiscal policies of the federal government, and they in turn have an important bearing on employment as a whole. Second, they have pointed out that the municipalities simply do not have the sources of revenue necessary to meet the financial drain entailed. When this problem arises in a community it must be met. If the funds are not available it cannot be met. Third, the federal government is the only level of government capable of financing such a program. In this connection I would like to remind the house that the unemployment insurance fund amounts to nearly $1 billion and continues to grow each day. The fourth reason they have put forward is that the federal government is the only level of government which has the machinery necessary to administer such a program.

Now, Mr. Speaker, I think any logical and fair-minded person would agree that the reasons advanced by the mayors and reeves of this country are cogent and worthy of consideration. Their plea has been put forward on logical grounds, and I believe every hon. member, no matter in what part of the house he sits, would agree that something should be done to assist those who are suffering because of lack of funds with which to buy food and clothing. That can best be done by the government now accepting its responsibility. The acceptance of that responsibility is long overdue, and the government should now get on with the job.

Today at a later stage of the bill I am going to ask the minister once again if he will please tell this house what the attitude of this government is towards this problem. Do they agree with the opinions of the government in 1941 and 1945, or do they disagree? Let us have it one way or the other. Let us get down to cases. Let us know where we stand. Let us stop this shadow boxing, this shilly-shallying. Let us come out in the open and declare our hand. Let us get down to cases and try to solve this extremely important problem.

Mr. H. O. White (Middlesex East): Before the debate is closed there are one or two remarks I should like to make. As I understand it—and I know the minister will correct me if I am wrong in this regard—when a plant is strike-bound and the strike is settled, some of the employees are not called back for days in some cases and for weeks in others. When these men apply for unemployment insurance, because of the fact that the plant has been strike-bound they find they

are not entitled to it and consequently find themselves in rather serious circumstances. In my riding I have had come to me two or three men who have been out of work for weeks because of slowness in calling the men back, and consequently a serious situation has developed.

I wanted to ask the minister if there are in contemplation any changes that would take that situation into consideration. When he is closing the debate I would ask him if he would just comment on that matter.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Short title.*

Mr. Gregg: Mr. Chairman, I did not make any statement on the motion for second reading because the bill is so short that anything I might have said in a general way would have been likely to overlap what I said the day before yesterday. However, I should like to comment on some of the things that have been said during the last few minutes.

As to the remarks of the hon. member for Hamilton West, may I say that the renumbering she spoke of will be mopped up in the larger amendment that is to come forward shortly. In the meantime it will not have any effect.

Mrs. Fairclough: It is a matter of tidying up.

Mr. Gregg: On the second point, I will admit at once that the amendment of the 80 per cent, when there was an increase in the main benefits and no increase in the supplementary benefits, was nothing short of an oversight. That is something that will, of course, be corrected.

Mrs. Fairclough: It was a rather serious oversight for the people who are benefiting.

Mr. Gregg: The fact that they did state 80 per cent did not mean that the intention was changed. As I said yesterday, it was the intention that there should not be any increase in the supplementary benefits until we had a chance to see the results of the 1952 amendment.

With regard to her remarks, which were referred to by a number of other members, as to the period over which the supplementary benefits extend, may I say that last year that matter was brought out clearly. I told the house that I was greatly concerned about it, as were other hon. members. We did not do anything about it at the time, but as the result of the serious situation last winter we carried out a careful investigation at the time and afterward. As will be recalled, there were rather severe climatic conditions last spring, and work did not start very early. It will also be remembered that there were a large number in receipt of supplementary benefits in the middle of April when these formally ceased.

The unemployment insurance commission undertook and carried out a special survey of those who were drawing supplementary benefits in the week of April 15. They found that by the end of May more than half had either left the labour market or were working full time or part time, and that the proportions were something like this: working full or part time, 42 per cent of those who had been on supplementary benefits; retired or keeping house—the latter would apply mostly to women—15 per cent; and unemployed, 43 per cent.

That is a large percentage. But they took that 43 per cent, and they found that about 88 per cent of that 43 per cent had not kept alive their registration for work at the commission's local offices, and that only 3 per cent reported that they needed to get some outside assistance from other agencies. I am not at all understating the importance of that 3 per cent, but I am stating that by retaining the cut-off date at April 15 it is enabling us, under these amendments, to make that amount of money that will be spent effective in the cold, hard part of the winter rather than in the days when we always expect it to be warmer.

The hon. member for Kindersley referred to coal in his province.

An hon. Member: The hon. member for Bow River.

Mr. Gregg: I am not touching on the employment situation today. I shall defer that discussion, because it applies also to the eastern part of the country. With him and with the other members who have said it, I will admit that this bill is not a cure-all for unemployment in any sense of the word. As Minister of Labour I am charged by this house and by parliament with certain responsibilities. I will admit at once that the responsibilities I have the honour to carry out in the Department of Labour are mainly defensive rather than offensive, such as conciliation and trying to keep peace in the industrial family; and, in administering this act, to try to mop up where unemployment breaks out.

There will be an opportunity later to discuss this matter of unemployment. The hon. member for Broadview has made a speech on it, and I suppose he will make one on the speech from the throne, based on the lack of confidence motion of his party. But I say

that the bringing about of improvement with respect to this problem of unemployment—something which we all want so much—is not going to be effected by some minister waving a wand and passing one single piece of legislation. It is not going to be done in that way at all. It is going to be done by means of a great many things carried out conscientiously and effectively not only by this government but in relation to other levels of government. While the hon. member for Broadview quoted quite correctly the representations that were made to us by the association of municipalities, nevertheless I am sure he would be the first to admit that this government should not go over the head of the minister of municipal affairs in the province of Ontario—his own province—in order to do things in the municipalities without approval, co-operation and plans that should be worked out jointly between those two levels of government.

With regard to the comments made by my friend the hon. member for Terrebonne, may I say this. He also said that this bill was no cure-all and in turn expressed the wish that, instead of there being extension at the other end of the period, there be extension at this end, namely in the period before Christmas. In reality we do not get a great deal of abnormal seasonal unemployment before the Christmas holidays begin. While in some sections of the country it might be preferable to have more time at the beginning and perhaps less time at the end, on the whole we feel, from our experience up to the moment, that the present period is about right considering our limitations on money.

Mr. Brooks: Is it not a fact that there was considerable unemployment this year in the lumbering industry, for instance, because of wet weather?

Mr. Gregg: That is true, Mr. Chairman; there was. Again I say that was because of wet weather, and you cannot very well provide for that in a cross-country plan.

The hon. member also spoke about women in this connection. I hope that problem might be deferred until we come to the larger bill.

The hon. member for Middlesex East asked me to define more clearly the awarding of benefits in strike-bound plants. If it is not a matter that is of urgency today, rather than give an off the cuff definition of that I should like, because it is so delicate a subject, to give him a thoughtfully worked out memorandum on the question. It is something that is very important in his province now. I should be glad to do that.

The other day I promised the hon. member for Macleod that I would give the pertinent figures concerning the total supplementary benefits paid, and I think this will answer his purpose. From the fiscal year which ended March 31, 1950, to the fiscal year ended March 31, 1954, the total paid in supplementary benefits was $29,763,819.57. So that my hon. friend might have a point of comparison I will give alongside that the grand total of all benefits paid during that same period, from 1941 to 1954. The total, including the supplementary benefits, was $754,159,070.53. For the remaining period from April 1 to November 1, 1954, the total supplementary benefits paid amounted to $4,844,867.62, and the grand total of the regular benefits and supplementary benefits for that same period was $129,547,428.73. I hope that answers the question.

Mr. Knowles: While the minister is giving these figures, I wonder if the sheet he has in front of him would indicate the amount that has been paid into the fund in respect of supplementary benefits since 1950? I have in mind the fact that the rates of contribution were increased slightly at the time supplementary benefits were established.

Mr. Gregg: Yes, Mr. Chairman. Would the hon. member like me to give those figures divided as between employer, employee and the government?

Mr. Knowles: The total.

Mr. Gregg: The way I have them here is for the period 1941 to 1954, employer and employee; if you want to get each one you divide it in two. The grand total up to March 31 last year was $1,241,276,310.43; that is the total of employer-employee. The government contribution for the same period was $248,262,043.87.

Mr. Knowles: I am afraid I did not make myself clear. I was asking not for the grand total paid into the fund but rather for the amount paid in respect of supplementary benefits. The minister will recall that in 1950, when supplementary benefits were established, the rate of contribution was increased slightly to cover the cost of paying supplementary benefits. I should like a figure to set against the $29 million that has been paid out in supplementary benefits in the four years.

Mr. Gregg: In that regard I should like to tell my hon. friend that I have it from 1941 up to November 30, 1953*. I think he is probably only interested in the total. For the period from 1941 to November 30, 1953*, there was paid in under this special one cent increase that was introduced in 1950 when the act was amended, a total of $59,456,034 earmarked especially for supplementary benefits.

*See correction of year on page 144, column 1.

Mr. Knowles: Does that mean that the fund has $30 million left out of that?

Mr. Gregg: I was going to give the benefits paid out of that during the same period, which was $34,608,762, leaving a balance, if you look upon that as a special fund—we keep the records separately, but we do not keep it as a separate fund—of $24,847,272. It would be from that, of course, that what I estimated the other day as the $12 million additional cost arising out of this legislation would come.

Mr. Diefenbaker: Will the minister allow one question in order to complete the picture? What was the cost of administration each year during those four years?

Mr. Gregg: I am sorry I have not that in detail for my hon. friend, but you can take the figures I have quoted and it works out in an interesting fashion in this way. If you take the amount paid by employers, the amount paid by employees and the amount paid into the fund which I have already given and add to it the cost of administration, it works out to roughly 33⅓ per cent each. I believe before the committee rises I could get that figure.

Mr. Diefenbaker: Does the minister say the cost of administration is approximately one-third?

Mr. Gregg: No; the cost of administration plus the amount which the federal government puts into the fund is approximately one-third.

Mr. Diefenbaker: Can the minister give the figures before we get to third reading?

Mr. Gregg: I shall try to do so. There was one other point of which I made a note.

Mr. Knowles: Before the minister leaves these figures would he clear up one point that is bothering some of us down here? As I understood it, when he answered the hon. member for Macleod he said the total amount paid out in supplementary benefits for the four-year period was some $29 million. Then when I asked him for the amount paid in as a result of the one cent increase he said the figure was $59 million, out of which $34 million was paid. If I have the figures correct as the minister gave them, can he reconcile the figure of $29 million which he gave the hon. member for Macleod and the figure of $34 million which he gave to me? After all, I would not claim to be worth $5 million more than the hon. member for Macleod.

Mr. Gregg: My second set of figures went only to November 30, 1953*, whereas my figures to the hon. member for Macleod went to March 31, 1954.

Mr. Knowles: That is even worse.

Mr. Gregg: No.

Mr. Rowe: This sounds like funny money.

Mr. Hansell: Figures are very confusing when they are given in this way. I think perhaps we might ask the minister at some future date a very definite question in respect to these figures, or perhaps I could place it on the order paper.

When I spoke the other day I was particularly interested in the actuarial soundness of the fund, and what I really wanted was not merely the information as to how much had been paid into the fund and how much paid out of it. Rather I wanted comparative figures from year to year to discover whether or not, if there should be an extended period of unemployment, the fund would be depleted so that over a long period of years it would not be actuarially sound. The only indication we can get is by comparative figures from year to year.

I am not insisting upon getting the information at the moment. If it will help the minister I shall place a definite question on the order paper setting out what I want.

Mr. Gregg: I thank the hon. member. And if he does not wish to put his question on the order paper, I am sure he will find those figures readily available when we come to the larger amendments. But I can assure him, as a member of the original committee, that the actuarial officials of the unemployment insurance branch have studied this matter in relation to the larger measure which is to come, with the intention of making sure that it is actuarially sound.

While I am getting the other figures sorted out I should like to refer to the question raised first, I believe, by the hon. member for Hamilton West, as to the difference between the amount payable in supplementary benefits to single persons as compared with the amounts payable to workers with dependents, in the low wage categories. Our records indicate that 80 per cent of all the claims are in the class of $21 to $24, and that the rest are mostly unmarried persons. An effort will be made to make sure that it is relatively fair to all concerned, in working out the scale under the new legislation. And I think it will be understood that in the lowest scale of wages there are not very many workers with dependents.

Mr. Hees: Mr. Chairman, in answering me, the minister gave, I think, one of the most fantastic explanations I have heard, even for this government, when he tried to explain

*See correction of year on page 144, column 1.

why this government is ducking its responsibility with respect to looking after the unemployed employables in Ontario. He said that the government had some reticence about stepping on the toes of the Ontario minister of municipal affairs.

I want to assure him that there is nothing to be feared in that regard. The Frost government is very, very anxious for this government to assume its full responsibilities, as it said it would do in 1941 and 1945. So I would suggest to the minister that he climb out from behind that shield, because it is full of holes. I would advise him just to forget that explanation completely.

Now I would like to ask the minister if he would tell me plainly and simply what is the attitude of the government toward people whose unemployment insurance credits expired months prior to January 1. What is the government's attitude towards those people? Can the minister give me the government's answer?

Mr. Gregg: As Minister of Labour my attitude toward them is to see to it that any of the facilities and the assistance we can provide is made available to them, and to see that the assistance given by this parliament is carried out, by way of finding jobs and making available to them any insurance to which they are entitled.

Mr. Hees: If your department, your unemployment insurance officers, cannot find that man or woman work, and he or she is anxious and willing to take work, and their unemployment insurance credits have expired, then what is this government going to do with regard to those people? Is it going to abandon them for those months until the 1st of January, or what is it going to do? That is a very simple question, and I would ask the minister on behalf of the government to give a simple answer.

Mr. Gregg: I cannot accept the word "abandon" as it is used by my hon. friend. It is the wrong word entirely. We shall continue to do anything for which the federal government has authority.

Mr. Hees: Well, the federal government can extend the period, just as it is making a change now in the Unemployment Insurance Act. The federal government can extend this measure to include other months as well. I say you can become just as cold, just as hungry and just as sick in October, November and December as you can in January, February, March and the first two weeks in April. It is within the government's power to do something. Is the government willing to do it, or is it willing to abandon these people and expect them to go into some kind of hibernation where they can do without the necessary things of life? If not, what does the government expect them to do?

There is no use in the minister saying the government is doing everything it can. I say that everything you can do is not being done. You are trying to find them jobs, but you cannot find them jobs. A man finds himself without credits and without a job. He has a family and he has to eat, and so does his family. What are you going to do for him? I want to know that.

The Chairman: Shall the clause carry?

Mr. Hees: No. Then I assume, if the minister persists in remaining in his seat and not answering, that this government—

An hon. Member: He answered.

Mr. Hees: He did not answer the last question. The Minister of Labour, by sitting and not answering, is giving tacit approval to the government being quite willing to see people go without the necessities of life during the months prior to January 1, because it is unwilling to take any steps to provide for them, as it agreed to do in 1941 and 1945.

The minister still sits there and says nothing. Therefore he is agreeing with what I am saying when I charge the government with being callous and cold, and with being far more interested in balance sheets than it is in human beings. All this talk about its great interest in human welfare is a lot of nonsense. There is no human welfare when there is not enough clothing and shelter, when you are out of work and have not enough to live on. This government is quite willing to allow people to continue in that state until some mysterious date—January 1—when, in its great wisdom, it says to all the unemployed to come out of hibernation. "Now you can come out; now you can warm up and start living again." Let us not have so much talk on platforms—

An hon. Member: May I ask a question?

Mr. Hees: No question at all. You can make your speech after. Is this the same Liberal government which does things for the people and cares for the people? I say that, by the minister sitting there and being afraid to stand up and say on behalf of the government what it is going to do, it proves that it is not interested in human beings.

Mr. Gregg: I do hope that when my hon. friend gets back from his third trip across Canada he will bring to this house a greater tolerance and a greater recognition of the fact that his fellow members also are concerned about the welfare of their fellow Canadians. He knows as well as I do that the

question he has posed on this bill is an impossible one to answer at this time. I deny outright his statement that the minister, or this government, are not concerned about the welfare of their fellow Canadians. Furthermore, rather than have him stand in his place and direct generalities at this government or at the Minister of Labour, I would be much more impressed if he were prepared to place before me instances in his own city of men and women, unemployed employables, who are seeking unemployment relief this day, January 13, 1955.

He has made these statements here. I have been in my office ever since this house opened and not on one occasion, either by letter or personally, has he indicated to me that this problem in his province is greater than his province is able to meet.

The Chairman: Order. Perhaps I should indicate at this time that we are discussing clause 1 of a bill respecting supplementary benefits. I assure the hon. member for Broadview that I could not allow him to answer the questions which were posed by the Minister of Labour.

Mr. McIvor: I rise because I think the statement was out of order when the hon. member said the Minister of Labour was afraid to stand up, a man who has received the Victoria Cross. That statement should be taken back.

Mr. Gregg: Mr. Chairman, I can now make myself an honest man with the hon. member for Winnipeg North Centre. It is nice to be able to blame mistakes on typographical errors, and in this case it is so on the sheet I have in my hand. When I said so carefully, "the 30th day of November, 1953", it should have been the 30th day of November, 1954. That makes it right.

The Chairman: Shall the clause carry?

Mrs. Fairclough: Perhaps the discussion which has just taken place has carried us a little off the track. Since the hon. member for Broadview was permitted to continue with his remarks, I think he merited an answer from the minister. With that remark I am going to be satisfied. If the remarks were out of order, the Chair should have called him to order in the first place. We are all interested in that particular phase, and we can discuss it at great length when the other bill comes down to amend the Unemployment Insurance Act.

With regard to the amount of benefits paid, it would look very much as though my guess of Tuesday of this week at the resolution stage was pretty close, because I was merely taking the number of people who were insured and multiplying it by the contributions which I knew they must have made. I came to a surplus of $7,100,000, on the average, per year for the last four years. The minister's average is a little better than $6 million per year for the four years.

I am also interested in the statement that 80 per cent of the benefits paid were in the $21 to $24 a week class because this, in my opinion, leaves the government in a very peculiar position indeed in regard to the payment of those supplementary benefits. As I mentioned before, the act under which they are operating very clearly sets out 80 per cent, and the $21 to $24 a week class consists of the very persons who were not getting 80 per cent of the benefits at all but were getting 70 per cent.

With regard to the minister's other statement, I shall make some further remarks on clause 2. I wonder just where the department stands with regard to the poor administration of its own act over the last three or four years.

Mr. Hansell: Before this clause passes I should like to make a little correction, not of a typographical error in *Hansard* in the debate the other day but rather of an error I made. I said I was on the committee that originally brought in the bill. I said the bill was brought in before the war. I was trusting to my memory. I was speaking extemporaneously. The bill was brought in in 1940. The correction can be made now.

I should like to comment on one or two of the minister's remarks this afternoon. He indicated that in reality his responsibility was not to provide work for the people of Canada, and I agree with him. I do not think the minister's responsibility is to provide work at all. I do not believe it is actually even the government's responsibility to provide work, but it is the government's responsibility to so formulate policies as to keep industry producing at full capacity, no matter whether it is secondary industry or primary industry. If they are failing there, then they are failing in their over-all policy.

The minister recognizes that, because in another remark he made he said that in considering this whole matter there are a lot of things that must be conscientiously studied and made effective, or words to that effect. Yes, there are a lot of things; but I do want to say to the minister this one thing. While there may be a lot of things, nothing else will operate unless one thing is studied and made to operate effectively; and that is financial policy.

The Minister of Finance is sitting in his seat with his head on one hand as though he is deeply in thought.

Mr. Harris: Listening to the hon. member.

Mr. Hansell: Without a proper financial policy of course everything else will fail. That financial policy should be one to keep industry working at full capacity; and when industry has produced goods for the welfare of the people of Canada, then it is the responsibility of government to see that that production is distributed to the people so they may receive the benefit of the work of their own hands.

So far as the government's responsibility to provide work is concerned, we have to do a lot of re-thinking on that. I believe the government is just as interested in this country as we are. I do not agree with the remarks made by the hon. member for Broadview a little while ago. Of course we have to excuse him. He has been out on the hustings, and he has got into the habit of talking that way. This is the House of Commons and he has to get over that habit when he is here. Of course we are all interested in human welfare; but we have to do a lot of re-thinking along this line.

The other day the Minister of Transport was asked a question by an hon. member with respect to whether or not the Canadian National Railways was doing anything to keep a certain number of men employed. I have forgotten the exact terms of the question, but the minister rose in his place and said the government was doing everything possible to keep those men employed.

That is where we have to do a little revision of our thinking. We must not assume that we have a railroad for the purpose of employing people. If that is the purpose of the railroad, then let us build a dozen more railroads or let the railroad run a dozen more trains. Whether or not there are passengers does not make any difference so long as it provides work. Railroads are operating to transport people and materials across the country. In the final analysis it is not necessarily a problem of providing work, it is a problem of getting the benefits of industry to the people after they have produced and done their job.

I read a statement the other day by a top ranking atomic energy scientist in the United States, who stated that if President Eisenhower gave the green light to a peacetime atomic energy program it would revolutionize everything overnight, and within five years we would perhaps have more unemployment than we have ever had as well as the greatest production we have ever had. The desert would blossom like the rose and there would be food aplenty for every living soul on the globe. We have to adjust our thinking and adjust our policy to a different age.

Clause agreed to.

On clause 2—*Duration of supplementary benefit.*

Mrs. Fairclough: Under clause 2 we have for consideration the period during which the supplementary benefit would be paid. I am sure there are many hon. members of this house other than those on this side who would agree with the hon. member for Broadview, even though they are not outspoken in their agreement, that there are periods of the year other than the period January 1 to April 15 when people suffer because of the expiration of their benefit period. As far as the present season is concerned the period up to December 31 has passed, and we are now in a period during which the supplementary benefit would be paid. We hope that the bill dealing with a further revision of the act which the minister has said he will bring down will be before us before this session is much older, and for that reason I do not propose to word an amendment at this stage to include the period mentioned by the hon. member for Broadview. At the present time I think it would be quite sufficient to deal with the remainder of the current season; therefore I should like to make a few remarks in support of the amendment which I shall offer to extend that period.

Then a word with respect to the minister's figures of those who have benefited in the past. He said that as of April 15 last year it had been found that 42 per cent of those who had benefited by the supplementary benefits had secured work, either full or part time, and that some 15 per cent had retired. He admitted that 43 per cent of them were still unemployed and that 88 per cent of those 43 per cent had not kept their applications alive. I submit that the reason for that was that they lost heart.

Even if all that was left was 12 per cent I am sure that 12 per cent would be composed almost entirely of married men with families who needed every last cent that they could lay their hands on to keep their families alive. It does not matter to me what the volume is of those who would benefit under any extension; the fact that any portion of those insured and eligible for benefits should suffer hardship is quite sufficient. I feel that we cannot wait until spring is upon us to find out whether or not there is any need. Now that we are considering an amendment to this particular section I believe the matter should be settled at this time at least for this season.

When April 15 comes along each year there is usually an entirely different outlook on the part of the department and even in the press as to the employment situation. Hon. members of this committee who have followed employment statistics year after year will recall

that in late April, during May and even into June we begin to get reports that the employment situation is much better because there are fewer applications for benefits. Of course there are fewer applications for benefits after April 15, because those who have been receiving supplementary benefits find that there is no use applying for benefits. They are not going up to the employment offices more than once after April 15; when they have been told they are no longer eligible they just do not go any more.

The fact that they no longer apply is taken as an indication of increasing employment when very often it is nothing of the sort. Their benefits have run out; their supplementary benefits have run out, and because they are no longer eligible for benefits of any sort the news which goes out from the various offices across the country is interpreted by the Department of Labour as an indication of increasing employment. For all of these reasons I now move, seconded by the hon. member for Quebec West (Mr. Dufresne):

That clause 2 be amended by deleting the word "April" in line seven and substituting therefor the word "May".

The Chairman: After having read the hon. member's amendment, may I indicate some doubt as to whether it is in order, for reasons which I shall be glad to explain. However, if any hon. member has any observations to make on the question of whether or not this amendment is in order I shall be glad to hear him.

Mrs. Fairclough: Mr. Chairman, I fail to understand what your reason is for considering this amendment to be out of order.

The Chairman: Hon. members will recall that the resolution which preceded this bill reads as follows:

That it is expedient to introduce a measure to amend the Unemployment Insurance Act to raise the rates of supplementary benefit to the present rates of regular benefit and to provide a minimum of sixty days' supplementary benefit to those who qualify.

The bill is apparently a money bill based on that resolution. I would draw the attention of hon. members to May, fifteenth edition, page 678, where the following quotation will be found:

The guiding principle in determining the effect of an amendment upon the financial initiative of the crown is that the communication, to which the royal demand or recommendation is attached, must be treated as laying down once for all (unless withdrawn and replaced) not only the amount of a charge, but also its objects, purposes, conditions and qualifications. In relation to the standard thereby fixed, an amendment infringes the financial initiative of the crown, not only if it increases the amount, but also if it extends the objects and purposes, or relaxes the conditions and qualifications, expressed in the communication by which the crown has demanded or recommended a charge.

I think this principle is well known to all hon. members, but perhaps I may also cite Beauchesne's third edition. Citation 486 reads as follows:

Reductions can be made in committee on the bill, but no grant can be increased except upon recommendation of the crown.

It seems to me that an amendment which substitutes the word "May" for the word "April" would increase benefits under the bill; would increase the financial obligations of the crown; and therefore would be out of order.

Mrs. Fairclough: Mr. Chairman, I do not profess to be an expert on parliamentary procedure, but it seems to me that these are scarcely government funds. Contributions to these funds are made by workers and employers.

Mr. Harris: And the government.

Mr. Gregg: I might point out that 20 per cent is provided by the government. However, I rose because of two questions I left unanswered.

Mr. Fleming: Dispose of the point.

An hon. Member: He has.

Mr. Gregg: In reply to the hon. member for Prince Albert I would state that the cost of administration for the unemployment insurance commission up to the year ending March 31, 1954, amounted to $26,096,722. I will carry out my promise to give the hon. member for Middlesex East a reply in full later, but in brief I would state that upon a general resumption of work any man not immediately called back will be paid benefits from the date of the reopening of the plant.

Mr. MacInnis: Mr. Chairman, now that the amendment moved by the hon. member for Hamilton West has been ruled out of order, I think we will probably have to approach the matter in another way if we wish to get something done.

I sometimes wonder if hon. members are as confused about the rules of order as they appear. I came into the house with the intention of making a speech almost identical to that made by the hon. member for Broadview, but I was afraid I would be stopped by Mr. Speaker; and having due regard for the propriety of parliamentary procedure I refrained from making that kind of speech. I think probably the house and the country missed a very good speech.

Since it is not competent for a private member to introduce an amendment that would

involve the expenditure of money, that must not be taken to mean that it is against the rules of the house to urge the minister to introduce such an amendment, and quite frankly I see no reason why the minister cannot get one of his colleagues to move that the word "May" be inserted in this paragraph instead of "April".

There is no magic in the date of April 15 as far as the provision of work is concerned. The person who is unemployed on April 15 will very likely find himself still unemployed on April 16, and he has to eat on both days. Unless the government has some alternative means of providing persons referred to as employable unemployed with an income of at least as much as is provided under the Unemployment Insurance Act, it seems to me that this date should be extended.

All parts of the country are not in the same position with regard to the resumption of work disrupted by winter weather. Spring comes much later in some parts of the country than in others. By April 15, particularly in the southern part of my own province, there is a general resumption of work. But I was born in the maritimes, and work there may not commence until very much later. The advance in the season does not even permit the general resumption of agricultural work until later. Therefore persons in the maritime provinces, and this would apply also to a great part of Quebec, will be no better off as far as work is concerned on April 16 than they were on April 15.

I would suggest that the minister give consideration to this matter immediately, and introduce an amendment from April to May. I think it should be changed in any case so that every person who requires and has been receiving supplementary insurance can continue to do so for a minimum of 60 days. If such a person cannot find work, if there is no work for him, and if the government has no other method of providing for him, then his supplementary benefits should be extended until he has found work or for the 60-day period.

Mr. Johnston (Bow River): Mr. Chairman, I was not going to suggest any amendment to this legislation, but since an amendment has been proposed I find myself in full agreement with it. During my remarks a short time ago I pointed out that as soon as supplementary benefits expire the unemployed will find themselves in a very awkward position. The suggested amendment would go a long way toward relieving that situation by providing them with assistance over a longer period; and our group, I am certain, would support such a measure.

Mr. Gregg: In reply to the hon. member for Vancouver-Kingsway I would say that searching consideration has already been given to his proposal. I would add that if we accepted his suggestion it would mean taking the funds from some other source. That is the long and short of it.

I am going to say this. It does not help the situation very much but it overcomes my hon. friend's question about what he is going to do on the 16th, the 17th and the 18th. In actual practice, of course, it turns out—and that is due to the unavoidable time lag, no matter how effective our local offices may be, in getting the payments out—that the worker whose supplementary benefits expire on April 15 is in receipt of payments fairly well to the end of that month. Of course that means that he has not had them at the beginning.

Mr. Stewart (Winnipeg North): According to what the minister has said, there is great concern about keeping the fund sound. That is probably a good idea, but I am more concerned about keeping families sound. Yet you cannot keep families sound when there is no income coming in. This fund has shown that it can carry the burden which has been placed upon it. I sincerely hope that the minister and the government will give some consideration in the near future—much more consideration than they have given in the past—to keeping families sound. The fund can be kept sound with some help from the Minister of Finance.

Mrs. Fairclough: I should like to add a last word—

Some hon. Members: Oh, oh.

Mrs. Fairclough: I think that is my prerogative.

Mr. Knowles: What about that equal rights idea?

Mrs. Fairclough: By the minister's own calculation, according to the figures which are available to him there remain on April 15 only about 12 per cent of the supplementary beneficiaries. It would therefore seem to me that his point about the soundness of the fund is a little bit exaggerated. Like the hon. member for Vancouver-Kingsway, now that the amendment itself has been ruled out of order I ask the minister once more if he will not give consideration to making this amendment himself.

Mr. Churchill: Perhaps I should have permitted the hon. member for Hamilton West to have the last word. However, she will no doubt take advantage of the situation later if I speak out of turn now. I was interested

in what the minister said in answer to a previous question, namely that already careful study had been given to this proposal that the time be extended to May.

The suggestion was made that in view of the fact that private members cannot alter a money bill, the minister might in his turn make the alteration. The minister's reply was one I have heard quite frequently in the House of Commons, yet it is not expanded at all. The ministers frequently say that a matter has been given the most careful consideration, and then we are left at that point. Nothing is said to us as to what points were considered, what arguments were advanced and why they were rejected.

From the minister's remarks I take it that some of those with whom he consulted suggested an extension from April to May. If so, the idea has been in the minds of others. Why was it rejected? Surely not just because of the solvency of the fund. It has just now been pointed out, using the minister's own words, that not many people are affected in that particular period. Will the minister elaborate a little and tell us some of the suggestions that were made or that he himself proposed, and the arguments that were used by others with whom he consulted as to why this bill should not be altered in accordance with the amendment proposed by my colleague?

Mr. Gregg: I should be glad to do so, Mr. Chairman. I hardly think that my hon. friend would want me to go into great detail on this point.

Mr. Churchill: Quite a bit.

Mr. Gregg: I shall be happy to do so when we come to discuss the matter in committee on the larger bill that is coming forward. But I can tell my hon. friend now that a year ago, in March and April, I was just as strong a proponent as he was of the extension of the supplementary period. I would not have gone for the whole four weeks, but I would have gone for two weeks. But after the matter had been carefully considered, resulting in much more detail than I gave a little while ago, I was convinced that the benefits that can be made available by the same amount of money spent in other ways were more valuable than having them tacked on at the end of the supplementary period. Later on I shall be glad to give my hon. friend the reasoning behind that opinion.

Mr. McIvor: I should like to add just a brief word. I think anyone will admit that the Minister of Labour has taken an outstanding interest in the unemployed people in this country. Otherwise he would not have broken in on the debate on the speech from the throne in order to put through this legislation. He might have been criticized for being in a hurry. My reason for rising was that I was hurt. I am not going to allow anybody to stand up in the House of Commons and say that the Minister of Labour is afraid to stand up and have his say. He is not afraid to do so.

Mr. MacInnis: To put the hon. member for Fort William at ease, let me say at once that I am not going to make any attacks on the Minister of Labour. But whether or not he is doing the best that can be done for the unemployed under the circumstances is something that cannot be settled just by the opinion of the hon. member for Fort William. It would be necessary to get the opinion of the unemployed on that matter, because they are the people who are hungry and cold.

It seems to me that when it comes to dealing with the unemployed—and I have felt this way for many years; I am not making an accusation against the Minister of Labour—we deal with the matter in a very uncivilized way. If there were as many people unemployed in April as there are in January or February, we would extend unemployment insurance in order to take care of them. The way we have looked after the unemployed in this country for years has always depended on how many were unemployed. If there were 10,000, 15,000, 20,000 or some number like that unemployed and hungry, they could starve. No one would take notice of them. But if we had 500,000 unemployed something would then be done about it, because it would be dangerous to have that many unemployed and going hungry. For our own safety we would do something for them. That is an unChristian and uncivilized way of dealing with a problem of this kind.

I suggest that we cannot think of the unemployed merely as a statistic, as I have heard them considered here in the House of Commons where it has been said, "Oh, yes; there are so many unemployed, but think of the number who are employed". The number who are employed are of no benefit to those who are unemployed unless they are getting something because others are employed.

Let us think of this question as it affects the individual and the family. When men are unemployed it does not mean that just those men alone are affected. It also means that wives and children are affected. Let us not be quite so smug about the matter and say that it is important to keep the fund sound. As the hon. member for Winnipeg North said, it is much easier to make sound a fund that has become unsound than it is

to make a family sound after it has become unsound through trials and tribulations beyond its ability to bear.

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Gregg moved the third reading of the bill.

Mr. Stanley Knowles (Winnipeg North Centre): We do not object to the bill being read the third time today, Mr. Speaker, so that the benefits contained therein can be on the statute books just as soon as possible. However, I think the government should realize from the debate that has taken place today that, although we approve of the bill as far as it goes, we are not satisfied with the extent to which it goes. We appeal to the minister to consider, when he prepares the larger bill he is going to introduce, the points in relation to supplementary benefits that have been raised, particularly the points that have been stressed by the hon. member for Hamilton West (Mrs. Fairclough), the hon. member for Vancouver-Kingsway (Mr. MacInnis), the hon. member for Winnipeg North (Mr. Stewart) and others.

We want him to realize that, so far as we are concerned, the passing of this bill does not mean we are finally satisfied with the supplementary benefit aspect of it, let alone the other shortcomings of the government in so far as the unemployment situation is concerned. We urge him to introduce that other bill at the earliest possible date. I can tell him, as I can tell the leader of the house, that the names of the members of our group who will serve on the committee on industrial relations have already been handed to the chief government whip. We are prepared to go to work on the larger bill at the earliest possible date.

We are serving notice on him, too, that we feel that even that larger bill, along with this one, must not be regarded by the government as a sufficient answer in this session to the serious problem of unemployment. We are prepared to let this bill have third reading today, but we want further and more effective action at the earliest possible date.

Mr. Solon E. Low (Peace River): I, too, wish to say just a word before the third reading of the bill. I am surprised and disappointed that the appeals that have been heard this afternoon for an extension of time to May 15 in clause 2 of the bill have not been considered any more carefully than they have been. I believe, Mr. Speaker, there is great merit in them, but that is not what I wanted to say at the moment.

I hope the government will not look upon the passing of this bill, if third reading is given today, as any complete treatment of the unemployment problem at this time. The government has to get down to something more fundamental than mere changes in the Unemployment Insurance Act. They have to introduce a policy designed to quickly alleviate the situation for all unemployed, as the hon. member for Vancouver-Kingsway (Mr. MacInnis) has so well said. We have to put this thing on an individual basis. If there is one person unemployed in the country it is a serious thing for his family. That is the outlook we have to have as legislators.

I say again that I hope the government will not consider this is the end of their responsibility towards the unemployed at this time. Furthermore, Mr. Speaker, I seem to remember that when I first came here—I am sure those who came earlier than I can recall—even though a bill was considered to be in the nature of an emergency measure, very rarely have we been asked to put through third reading on the same day as the committee stage.

Mr. Speaker: Perhaps at this moment I might comment on this because the hon. member seems to think that the course I am following is unusual. If he looks at standing order No. 77, he will see that when a bill has passed through committee of the whole and has been reported without amendment, standing order 77 says:

> But when a bill is reported without amendment, it is forthwith ordered to be read a third time at such time as may be appointed by the house.

I know that sometimes by mistake I have said, in similar circumstances, "By leave, shall this bill be read a third time?" I was reminded by hon. members of this house, some of whom are well aware of the rules, that I did not need leave, and that is the position. Should the house prefer to have it read at another time, it can always be read at another time. Since there was no expression to the contrary, it is put now.

Mr. Knowles: Do not forget standing order No. 73.

Mr. Speaker: Its provisions were waived.

Mr. Harris: I think it would be the desire of the house to give it third reading, although we recognize the objections in connection with certain matters. There is an urgency in the matter and if it could pass through both houses of parliament quickly I think all members would like to have that done.

Mr. Low: I did not have a chance to finish what I started to say with regard to third reading. I was not objecting to having third reading today. I merely wanted the house

to be aware of the fact that we are, as a practice, resorting more and more to third readings on the same day as the other stages of the bill. I felt that under the circumstances we should draw attention to the fact, so we would not get into the habit of doing that on all occasions.

Hon. Milton F. Gregg (Minister of Labour): I should like to express my very sincere thanks to all members of the house for giving this bill the priority it has received. I can assure hon. members that all points that have been made in this excellent discussion today and on Tuesday will be given careful study. If it is possible for the other place to deal with this bill immediately and for royal assent to be received before tomorrow night, it will be possible for all of the unemployment insurance offices across Canada to begin payments under the amendment as from last Monday.

The new and larger bill will be brought in at an early date. I hope to have it on the order paper at the latest by February, and we will welcome the utmost study of that bill at all stages. I want to thank all hon. members for their co-operation at this time.

Motion agreed to and bill read the third time and passed.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, January 12, consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Rowe, and the amendment to the amendment of Mr. Coldwell.

Mr. Donald M. Fleming (Eglinton): It is an agreeable duty, Mr. Speaker, to undertake some review of the speech from the throne and make certain comments on the problems laid squarely before the house by the amendments which have been introduced.

Realism is a desirable quality in a speech from the throne. If one is to judge by what this speech from the throne has to say about the nature of unemployment in Canada, it is a document hopelessly lacking in realism. We read this sentence in it:

> Some unemployment of a regional and seasonal nature is being experienced.

What a monstrous understatement, Mr. Speaker! It is no wonder that what the speech from the throne proposes in the way of legislative and other remedies is very fragmentary and of the nature that it is,

[Mr. Low.]

based upon an approach so hopelessly lacking in realism to a national problem. I should like to hear some hon. members opposite comment freely and candidly on that statement as applied to the unemployment situation in Canada. I should like to hear the hon. member for Spadina (Mr. Croll), for example, make his comments upon it. I should like to hear some other hon. members in the house who sit opposite, who apparently are closer to the unemployment conditions than are those who wrote this speech from the throne. I should like to hear their comments upon a description of that kind.

There have been some remarks from the Prime Minister (Mr. St. Laurent) concerning the business of the house and the way it is to be transacted at this session. I am glad to see an indication that more of the government business is appearing on the order paper at this stage of the session, so much earlier than has been the practice in the past.

For my part, and I speak as an individual, I am glad to know from the Prime Minister's remarks that he has acceded to the suggestion I have made for some time that we should experiment with the appointment of a committee on estimates. I wish the Prime Minister would indicate what are the five or six departments whose estimates he proposes to have referred to that committee. It would be of assistance to us in this part of the house, and I think of interest to all members in the house, to know what those departments are to be. I would ask, for instance, whether the Department of National Defence is to be one of those departments. Is the Department of Defence Production one of the departments the estimates of which are to be referred to that committee on estimates?

I hope that at an early date steps will be taken to set up the special committee to review the activities and finances and the annual report of the Canadian Broadcasting Corporation. At the last session of parliament when this question was raised the Minister of National Revenue (Mr. McCann) indicated that the government would be favourable to the appointment of such a committee at this present session; and I hope steps will be taken to have that committee appointed and launched on its labours at an early date.

Something has been said about the length of the amendment introduced on behalf of the official opposition by the acting leader. We have no apology to make for the length of that amendment or for the number of problems we have found it our duty to lay before the house in the terms of the amendment.

What is the great variety of subjects raised there? There is the fact that our trade has

fallen, that the government has failed so badly in the marketing of our wheat surplus, that unemployment has grown to the point where it is a serious and urgent problem, that taxes are very high, that high costs are pricing many Canadian products out of the market, that waste and extravagance do exist in the government service and that the government has shown no willingness to grapple with them, that there is much need of greater processing of the natural resources of this country within Canada in order to provide more employment for Canadian workmen, and then there is the paragraph dealing with the provision of health and hospital services in Canada for those who need them.

Mr. Speaker, if the government had not neglected and ignored so many urgent Canadian problems it would not be necessary for us of the official opposition to introduce so lengthy an amendment in condemnation of the government for its failure to take resolute measures to cope with these problems. We have not catalogued all the government's failures in the amendment, but we have catalogued some of them. But these do offer basic considerations, and they are our conception of what is needed immediately by way of a government program. And to that extent they are an expression of our want of confidence in this government.

Sir, the first of the subjects dealt with in our amendment relates to trade. As we point out in the amendment, there has been a serious failure in that respect on the part of the government, and we express our regret that His Excellency's advisers—

—have failed to take or to recommend the necessary measures:

(a) to retain and expand Canada's markets abroad for our production, particularly of wheat and other products.

Canada's international transactions on current account resulted in the year 1953 in a deficit of $439 million, as compared with a surplus on current transactions in 1952 amounting to $164 million. The figures are not yet complete for 1954, but the deficit on current transactions for the first ten months of the calendar year 1954 was $330 million. This therefore is a serious problem, and must engage the attention of all hon. members.

In the first place, sir, there has been a serious decline in our commodity trade. Taking the first ten months of 1954—because the figures are complete only to October 31, 1954—our imports as compared with the same ten months in 1953 showed a reduction of 8 per cent. Our imports from the United States were down by 11 per cent, and from the United Kingdom 9 per cent.

Now let us look at the export figures. For those same ten months, as compared with the corresponding ten months of 1953, our total Canadian exports showed a reduction of 8·2 per cent. Our exports to the United States were down 5·5 per cent, our exports to the United Kingdom were down 10 per cent and those to other countries of the commonwealth were down 20 per cent.

The main factor in the over-all decline in our exports has been the decrease in our exports of wheat, wheat flour and other grains. The decline in our trade is serious. The decline in these ten months followed a similar decline which has been going on now for some two years, and it is serious enough both in dollar figures and in volume figures to demand the attention of the government.

There is another serious factor in our trading position—and we do not raise it now for the first time. It is the extent to which our trading eggs have been disproportionately and dangerously placed in one basket. In these ten months of which we are speaking, namely the first ten months of 1954, our exports to the United States were 60·4 per cent of our total exports. And if you will look at the corresponding figures for the first ten months of 1953 you will find a similar situation. Indeed, looking at our total trade with the United States, both export and import, we will see that the proportion or percentage has remained constant. In the first ten months of 1953 and the first ten months of 1954, alike 67 per cent of our total trade, both import and export, was done with the United States.

Again we draw the attention of the government to this dangerous situation—not that we want to curtail exports to the United States, but we want to see much more energetic and aggressive measures used to expand our exports elsewhere. And, above all, we want the government to come to grips with the essence of the Canadian trade problem, which has been featured by a decline in Canadian trade with the United Kingdom.

Sir, this must be said about our trade with the United States, that our exports to that country are largely of Canadian raw materials, materials drawn from our soil, and which in very substantial measure are sent abroad to be processed in the United States. We in Canada should be seeking more effective methods of processing more of our raw materials at home. One of the best examples of what has been accomplished in that regard is to be found in the pulp and paper industry. Had it not been for the firm action of some provincial governments, notably that of Ontario, led by the Hon. George Drew, and others—and the province of Quebec is also a very good example—we would still be exporting our forest products in their original

form. Cutting regulations of the provincial governments have assisted greatly in the development of this industry here at home, and it has provided needed employment for Canadians.

But, sir, lest any think that this pattern or picture of decline in Canadian trade is part of a world-wide pattern, let us take a corrective look at the figures. The figures I now give the house are figures of world trade drawn from international monetary fund publications. They are figures of total world trade, that is to say of the non-communist world. These figures have all been placed on a common basis and are expressed in United States dollars. Necessary adjustments are made in these statistics for purposes of reaching a common basis; and Canadian trade figures, like those of other countries, have been converted for that purpose. When I speak about quarterly statistics, it will be understood that these figures are designed to express the annual rate as the inference may be drawn from the quarterly figures.

What has been the trend in world trade in the last two years? Sir, these figures show unmistakably that the world trade trend has been upward in this period while Canadian trade has been going downward. In 1953 the total annual volume of world trade, both export and import, expressed in figures for the first quarter, amounted to $146 billion. The figure for the corresponding first quarter of 1954 was $148 billion, indicating an increase of $2 billion. In the second quarter of 1954 the increase was from the annual rate of $153 billion of world trade in the second quarter of 1953 to $158·7 billion. Unmistakably, Mr. Speaker, the volume and the dollar value of world trade have both been rising. Against that, Canada's figures show a decline.

Canada's percentage of the total of world trade is likewise declining. In 1953, Canada's percentage of the total world trade, both export and import, was 6·2 per cent. In the first half of 1954, which takes us to the last date for which figures are available, it has dropped to something like 5·5 per cent. It is a significant decrease, one that should command attention and concern.

But, sir, let us look further at the figures of British trade, and our trade with the United Kingdom. In his speech on Monday, even in its most soothing tones, there was a gloomy, an unmistakably gloomy, note in the Prime Minister's remarks when he came to the subject of our trade with the United Kingdom. It was indeed the gloomiest and most futile part of his entire speech. While Canada's trade has been going back, the trade of the United Kingdom has been increasing. British exports in 1953—these are again expressed in terms of United States dollars—aggregated $7,525,000,000 United States dollars. The figures are not complete for 1954 but they indicate—those figures that were available up to the end of the third quarter of 1954—that British export trade will probably rise to $8 billion United States dollars, an increase over 1953 of about 7 per cent in value.

We are perhaps more concerned with British imports, especially our proportion of Britain's imports from abroad. In 1953, Britain's imports totalled $9,366,000,000 United States dollars. The figures are complete only to the end of the third quarter of 1954, but they indicate that we may expect they will aggregate about $9,500,000,000. There is an increase of something like 2 per cent in British imports in 1954 over 1953. But what about Canada's proportion of this increased British trade, this trade that we so badly need, this British market that has been our traditional market, our best market, our most stable and most dependable market, particularly for the large agricultural surpluses of this country? What do the figures show about our proportion of the British trade? Here is the proportion of British exports to Canada: In 1938, 4·4 per cent; in 1953, 6 per cent; in 1954, for the first eleven months, our proportion has dropped to 4·9 per cent. A very significant drop from the 6 per cent of 1953! But let us look then at the British imports from Canada. In 1938 British imports from Canada amounted to 8·6 per cent of British total imports. In 1953 they amounted to 9·1 per cent. In 1954, for the first eleven months, that had dropped to 7·8 per cent, a very serious decrease, Mr. Speaker.

I mentioned earlier that much of the drop in our trade, particularly export trade, has been traceable to the substantial reduction in our export of wheat, wheat flour and grain. Why has this special significance? The reasons are twofold, sir. In the first place, wheat is a government monopoly as to its marketing and export; but there is another reason. Wheat plays an almost unique part in the health and strength of the Canadian economy. What has been this country's record in the export of wheat? Well, for the crop year that ended on July 31, 1953, we exported a total of 385·5 million bushels. For the crop year ended July 31, 1954, that figure had dropped to 255·1 million bushels, a drop, sir, of 35 per cent. For the crop year ended July 31, 1953, our exports of wheat and wheat flour to the United Kingdom aggregated 122·9 million bushels. In the crop year ended July

31, 1954, that export total had dropped to 82 million bushels, a drop of one-third, sir, as compared with the previous year. Is it any wonder, sir, that we draw the attention of the house, with a very urgent degree of concern, to this lamentable drop in Canadian wheat exports?

If you look further, sir, at the drop in the income of the farmers of Canada and consider that farm income in Canada has now dropped to the lowest point in seven years, that for the past several years we have witnessed year by year a drop that has averaged about 11 or 12 per cent as compared with the previous year, you begin to have some appreciation of how serious is the problem confronting the basic element of agriculture in the Canadian economy.

What have we heard from the government? It was a pathetic thing we heard in the speech of the Prime Minister on Monday when, in relation to the export of Canadian wheat, he took comfort out of the fact that our proportion of British imports of wheat had dropped less than the United States but more than the Argentine and Australia. Well, sir, there are only four of these great wheat exporting countries. The other three countries are our competitors. The two that the Prime Minister concedes as having a better record than ours are not countries that have anything like the amount of wheat to export that we have. Why should Canada not be in first place in the proportion of the exports that are going to the United Kingdom market that Canadian exporters enjoyed? Why should we be satisfied with third place, in terms of holding our proportion, as the Prime Minister apparently is? Has the agricultural economy of this country not come to a pretty pass; has the marketing of wheat under the government's monopolistic control not come to a pretty pass in Canada when we have to depend upon adverse climatic conditions to contribute a solution to the problem of the Canadian wheat surplus that this government proved itself incapable of solving? The sigh of relief, the political sigh of relief, from the government opposite when the promising wheat crop of the west turned into a failure last summer could have been heard almost around the world.

Mr. Rowe: They almost prayed for bad weather.

Mr. Fleming: It has been a poor performance on the part of the government in marketing Canadian wheat. They have been far too confident, far too cocksure, far too arrogant, and the pity of it all is, sir, that the burden of all this is going to rest upon the Canadian farmer. The responsibility rests upon the government but it is the farmer who has to bear the burden.

There is to be a prime ministers' conference in London later this month. That conference, sir, we in this party regard as of very high importance; at least it is a conference which could have very high importance if the government would indicate it is prepared to take it seriously and exploit the opportunities that it offers.

First of all, sir, what of the agenda of that conference? Sir Winston Churchill has said that any subject may be raised there, that any delegation may raise any subject. Mr. Menzies, the Prime Minister of Australia, has indicated that two of the subjects that he proposes to raise are trade and finance.

What country represented at that conference has a greater concern over trade than has Canada? Yet the Prime Minister has not a word to say in this house, even in response to questions, about the agenda of that conference. Where is all the talk about Canadian sovereignty? We have as much right to raise questions at that conference and to say what should be the agenda subjects to come before the conference as any other nation of the commonwealth. Trade should be given a place of first importance in the discussions of the prime ministers at that conference. But, no. I asked the Prime Minister the day before yesterday if he could say anything about the agenda of the conference, and what did we get in return? We had just the lame statement that nothing could be said on the subject.

Mr. Dupuis: Blast our way into the markets.

Mr. Fleming: The hon. gentleman can go on living in the distant past as long as he wishes. It is about time he and his party came up to date and faced realistically problems that are not 25 years removed but are right on the doorstep of the Canadian people today.

If parliamentary institutions enjoyed here in Ottawa the health that they ought to enjoy, no Canadian prime minister would go to an important commonwealth conference without having first invited a discussion in parliament on the position that he was going to take on behalf of his country in the deliberations of that conference. But such is the treatment that this government metes out to our Canadian parliament, such is the conspiracy of silence of this government on important national issues, such apparently

is the minimum importance that this government attaches to this commonwealth prime ministers' conference, there is not to be a word said in this house even on the subject of the agenda. A fine demonstration of contempt for the parliament of Canada!

Mr. Rowe: He will tell us when he comes back.

Mr. Fleming: We might at least have had a debate on the subject, but apparently we are not going to have, even during the course of this discursive debate on the address, any statement of the position the Prime Minister is going to take in London. During the course of his speech on Monday we heard on this subject nothing but words of amiable futility, remote unconcern and gloomy despondency.

We have not forgotten that when the Prime Minister returned from his commonwealth tour on March 18, 1954, a tour undertaken with the good wishes of all the parties in this house, a tour to which we had attached such high hopes, he did not during the course of his long report say one good word for that important institution, the British commonwealth of nations—not a word.

We in this part of the house think it is about time there was some indication from the government that it attaches not only political but economic importance to this institution, this commonwealth of nations. When Canada is represented at a conference of that kind, if Canada means to make that conference effective, Canada should exploit to the limit the importance of increased trade within the commonwealth.

While I am speaking of conferences I should like to renew the demand that this party has made times without number for a dominion-provincial conference. The need for such a conference is greater today than it was when this subject was last raised during the 1954 session. Since the last session some remarkable things have happened. Last September the Prime Minister girded on his armour and launched a carefully calculated and planned attack on the policies of Quebec. He succeeded in arousing feelings against his own province. It was no contribution to national unity that he made. But let us pass on.

Where is this issue today? Somehow or other on the field of battle, that field of the Prime Minister's choosing, there suddenly descended a lull. The Prime Minister called off the crusade, he broke off the engagement. There were some talks, but following the talks there has been again complete silence. There would have been no necessity or occasion for talks between the Prime Minister of Canada and the premier of Quebec if the proper policy which we have advocated had been followed before, namely, the calling of a general dominion-provincial conference. This is something of concern to all Canada; it concerns all the provinces of Canada. It is not just an issue between Ottawa and Quebec. It is small wonder then that with this further conspiracy of silence the suspicions of the other provinces have been aroused.

What has happened? Why this silence? Mr. Duplessis has made it known that his proposals were placed in the hands of the federal government many weeks ago and apparently action has been awaited on the part of the government opposite. What are they waiting for? In the name of parliament we demand a report and we demand the calling of a dominion-provincial conference, the place where matters of this kind ought to be discussed.

We have asked in our amendment for some relief for the Canadian taxpayer from the heavy burden of taxation. We have asked for this in the name of the Canadian producer and in the name of the Canadian consumer. We are in an era of competition. Jobs of Canadians are at stake. The health of the Canadian economy is under assault. In the face of the kind of competition which Canadian producers are having to meet today the government must do more than preach the virtues of increasing our imports, as they are apparently content to do, judging from the speeches made during the course of this debate.

We should tell the government, and we should tell the C.C.F. as well, that exports are a good deal more than a mere by-product of imports. The Canadian producers, in facing the kind of competition they are confronted with now, must have material assistance in reducing their costs of production if they are going to meet this competition and continue to provide jobs for Canadian workmen.

This government, which is taking virtually half of the income of every Canadian corporation, which is levying heavy sales and excise taxes, must take this problem seriously and meet its responsibility by reducing this heavy load which is hampering the Canadian producer today and which is costing the jobs of Canadian workmen.

We have asked as well for an end of government waste and extravagance. We have asked that the government dedicate its efforts to increasing efficiency because that efficiency will create economy. But the government continues to be impervious to appeals of this kind. They turn a deaf ear

when appeals come from this side of the house for elimination of waste and extravagance and the reduction of taxation. They have thwarted persistently every effort that has been made in this house to inquire into the degree of efficiency in the government service with a view to improving it. Where reports have been made before on conditions in the government service, exposing inefficiency and other things there, the government has resorted to every stratagem and every resource to prevent the conditions disclosed in such reports from becoming known in this house and to the Canadian people.

It is true that one report did escape outside the government's iron curtain, the Currie report of two years ago, but we may be sure, and we have seen abundant evidence of this, that the government intends that no other fugitive shall escape outside that government iron curtain. Indeed they made the most strenuous and sedulous efforts to round up that fugitive and get him back behind the iron curtain after he escaped.

Throughout the government has shown the most blatant contempt for the institution of parliament. Upon the shoulders of every government supporter in this house rests the unhappy responsibility of bearing whatever part he has played in allowing the government to impose this iron curtain that has denied to parliament and to the Canadian people information that ought to have been laid before them. Yes, government supporters by their docility and submissiveness have assumed their share of the responsibility for what has happened.

When the government is preaching to Canadian producers that they must be efficient and competitive, and eliminate waste and extravagance, let them begin at home and start by cleaning their own house.

In that regard I come now—and I wish I had time to dwell on this subject—to something that has come to light within the past four or five days.

I refer to the decision of the income tax appeal board in the case of No. 227, appellant *v.* the Minister of National Revenue. This particular appeal was heard by Mr. Commissioner Fisher and his reasons for judgment were, apparently, handed down last Saturday.

I have endeavoured to find out when the case was heard. Today I telephoned the income tax appeal board for that purpose because evidently Mr. Commissioner Fisher heard the case some time ago. I was told that the file is in the hands of the chairman of the board, and instructions have been issued that no information is to be handed out with reference to this case. I was not asking any improper question. I was not asking the name of the appellant. I was simply asking the date on which the commissioner heard the case.

Mr. McCann: I can give you that.

Mr. Fleming: Will the minister do so?

Mr. McCann: November.

Mr. Fleming: Last November?

Mr. McCann: Yes, about November 8 or 10.

Mr. Fleming: Then judgment on this case has been reserved for two months. The evidence referred to in the course of the reasons for judgment must have been given at least two months ago, but judgment was not written until—

Mr. McCann: I did not say written, I said heard.

Mr. Fleming: I said the judgment was only handed down Saturday.

Mr. McCann: You said the judgment was given two months ago.

Mr. Fleming: I did not. I think we will have to ask the minister to have something done about his hearing. I said this judgment was handed down last Saturday. I asked when the case was heard and the minister said two months ago. He has given us information in that regard that I was not able to obtain. The decision was handed down last Saturday, and I say that now for the third or fourth time.

It will be observed in the reasons for judgment that the case was heard in camera at the request of the appellant. I am not interested today in discussing the merits of the legal question under appeal. The question turned on whether certain expenditures made in the improvement of a property were in their nature capital, or whether the expenditures were allowable as deduction under section 12 of the Income Tax Act as expenditures laid out for the purpose of earning the income of the corporation. We do not know who the appellant was, but I will read a few sentences from the reasons for judgment. Here is one paragraph:

> In the year 1951, the appellant company decided that it should purchase a property which could be used for entertainment purposes.

May I point out that it was the income of this company for 1951 that was under consideration. The paragraph continues:

> Apparently the appellant was convinced that it was necessary to have a private country residence where officials and officers of the various governmental bodies could be entertained prior to the

negotiation of government contracts, and a property was found which it was felt would be suitable for this purpose.

Then we are told that the expenditures in that year in improving this property were as follows:

Buildings:	
Painting	$6,500.00
Roof	478.78
Plumbing and heating	947.54
Electric wiring, etc.	2,389.73
Floor cleaning	352.00
Repairs—wood, cement, etc.	1,119.91

And then, sir, what about landscaping? Listen to this.

Landscaping	
Paving and grading	$ 4,000.00
Trees	663.00
Lawn	11,338.06

The total expenditure amounted to $27,789.02. The commissioner, in further reference to this expenditure, states:

These expenditures were made for repairs and improvements to the property, which was used, to some extent at least, for entertainment purposes during the latter months of the year.

That year was 1951, more than three years ago, and there has been no suggestion yet that the building has since been used for any different purpose.

Now, sir, it is evident that this matter was news to the Prime Minister's ears when this decision was handed down. But we have been told in a Canadian Press dispatch something about the nature of this Shangri-La. We have been told that the Canadian Press has learned from reliable sources that the entire property is protected by a formidable fence, the only entrance being a guarded gateway. Visitors had to be vouched for at the main lodge before being admitted. This quotation then follows:

"Accommodation and entertainment is provided on a most lavish scale, with every convenience for the official being romanced. Greenhouses provide fresh flowers in profusion; and the entire establishment is air-conditioned."

Sir, it would need to be air-conditioned because this thing smells to high heaven. The quotation proceeds:

"It is staffed by an impressive array of servants, from butlers to handymen. Not one of them will discuss anything that transpires inside the fence, but stories of some of the parties there have been fabulous."

Now, Mr. Speaker, we are told that this is not very far from Ottawa. It is close enough to Ottawa to make it quite convenient. It is not the officials of some distant municipality or province they are concerned in entertaining or, as the report puts it, romancing. No one wishes to impose a Spartan existence upon federal government officials. But, sir, the people of this country are entitled to feel that those who are awarded federal government contracts obtain them strictly on their merits, and not because they have some inside track.

Mr. McCann: Is this where the Ontario road contractors were entertained?

Mr. Fleming: The Minister of National Revenue (Mr. McCann) should know that the Ontario government has taken firm and resolute measures to deal with the situation the minister mentioned. I think the minister is the person best qualified in this house to supply an answer to this question because this is something that arose within his department, and his officers were acquainted with it two months ago, but apparently the evidence in this case fell on deaf ears.

If the minister is looking for Ontario precedents he might well conclude that his responsibility in matters of this kind is such that he ought to consider submitting his resignation to His Excellency over what has happened here.

The walls referred to were there for a purpose. Is it not significant, Mr. Speaker, and is it not as eloquent as anything that has yet happened in this house, that the minister and those who support this government greet this report with laughter and levity? What better example could be found of the utter irresponsibility of this government and those who support it in the face of something that has all the earmarks of a major scandal, and certainly a scandal that deserves investigation? Indeed, the Prime Minister (Mr. St. Laurent) acknowledged only two days ago that this matter ought to be very carefully investigated.

If it comes to an investigation, we want something better than the kind of investigation we have had in the past; the hole-and-corner investigation, the results of which have never leaked out to the public. But this has leaked out to the public, and in the name of the public we demand that this investigation be made public. If the Prime Minister is not prepared to have the proper public kind of investigation, then we demand that the matter be investigated by a special committee of this house and that we be allowed to subpoena all who are concerned in this case. We intend to make it our business to get to the bottom of the matter and see that the Canadian public is permitted to know everything they should know, and that means everything in relation to the use of this property. What officials used it? For what purpose? Who were entertained? Who did the entertaining? We want to know the answer to those and a thousand more questions. With nothing short of a full, complete and searching investigation of this kind—yes, and a public investigation with the most

complete public disclosure of the contents, with full opportunity in this house to go into this matter and into every detail of it —will we be satisfied in the name of the Canadian people.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, I should like to bring the subject matter for the time being to something else not quite so exciting and perhaps not quite so controversial. I think that a great number of hon. members were as interested as was I when they saw in this morning's Montreal *Gazette* the report that perhaps a tax rental agreement had been arrived at between the government of Canada and the province of Quebec. I hope that is so. I hope it is so on a fair and equitable basis to all concerned. I should like to see every province within this agreement, believing as I do that when every province is in it, then Canada as a nation will be so much stronger.

We in the C.C.F. want to see this agreement and we hope it will be achieved on the fairest terms to all. We say again, as we have said in the past, that we insist without any qualification on the right of the people of Quebec to their constitutional rights as well as the unwritten ones which are accepted in civilized society, just as we on the other hand ask for reciprocity and insist that we also have rights. But there is this one thing that I must point out. There is one price that we will not pay for Quebec participation and that is the wrecking of the tax agreements. I do not know what the facts are. I do not know whether or not the report was accurate or inaccurate. I therefore intend to leave the situation at that point, hoping that an agreement has been arrived at and hoping that the agreement will be good for Canada. If that is so then certainly we welcome such an agreement.

I want to say a few words about the unemployment situation. The other night my colleague the hon. member for Vancouver East (Mr. Winch), speaking in this debate, pointed out the masterly job which either the Liberal apologists or Liberal publicity men had achieved in selling the people of Canada the concept of the Prime Minister (Mr. St. Laurent) as "Uncle Louie", an appellation which indicates affection. It is perhaps arguable that the Canadian people have no great regard for a paternal society and that therefore their desire is all for an avuncular one. But the pity of it today is that this government, under the present avuncular society, is nevertheless making tens of thousands and hundreds of thousands of Canadians cry "uncle". I am talking about those Canadians today who, through no fault of their own, are unemployed, who cannot get work and who want to work. This government is apparently doing nothing about the situation. Last year it was obvious, from looking at the treasury benches, that there was a degree of lethargy and apathy which I thought could not have been increased. But this year it is even worse, with one exception. The Minister of Transport (Mr. Marler) has not yet been contaminated with the lethargy which afflicts the rest of his colleagues and I hope for his sake that such a thing never happens.

I remember reading a description of a British government some years ago. It was described as a government of exhausted volcanoes. Nobody would suggest that this government was a government of exhausted volcanoes because there would be no excuse for such an exaggeration. To describe it as a government of exhausted molehills might be more accurate; and I am convinced that is what a great number of Canadians today think this government is. Not only is it apathetic and lethargic in the face of present social problems but it is self-satisfied. What is even worse, as we have been told by an excellent witness, it is incompetent. I am not advancing my own concept of incompetence. I call upon the Prime Minister (Mr. St. Laurent) who knows his colleagues much better than I do. Let me quote from page 40 of *Hansard* where my leader the hon. member for Rosetown-Biggar (Mr. Coldwell) read this extract from a speech of the Prime Minister:

> "We have a country where there should be work for everybody and if we are not smart enough to organize the economy of the nation to provide work for everybody we are incompetent."

Manifestly the government is not smart enough to organize work for everybody. Therefore, by definition, the government is incompetent; and when the Prime Minister himself makes that assertion, who am I to disagree with him?

Not only have we unemployment today but it is increasing and it is going to get worse. There is no plan or project that we have seen except the blasting of Ripple Rock out of the water. What is that going to do from the point of view of unemployment? What help is being given to men whose lives are being squandered in idleness? That is the problem which faces this house and that is what this government must answer for because within a few months there are going to be over a million people close to relief. That is not to say that there will be a million people unemployed but many of

those who today are unemployed have dependents; they have wives and children and they are going to be close to relief unless the government takes action to help them.

I cannot altogether agree with the Minister of Labour (Mr. Gregg) when he regards his position in such a circumscribed way as he did this afternoon. I can perhaps agree that unemployment cannot be cured by legislation. However, unemployment can be greatly alleviated by sensible and reasonable fiscal policies which this government has not yet disclosed to us.

I see this situation in my own city of Winnipeg where we are dependent for our prosperity on the well-being of the farmers. When the farmer's income has been cut, as it has been this year, we in the city are going to suffer. If you cut down the farmer's income, you cut down what he spends in the city. And if you cut down what he spends in the city, you create unemployment or you create short-time employment and you have a demand for lower wages. Do that, and once again we are in the spiral of depression.

I might give the house a case in point. Before I left Winnipeg a couple of weeks ago I was talking to the bargaining committee of a union which has been conducting negotiations with a particular employer. The employer in Winnipeg took this stand: In your last contract your starting wage was $1.22 an hour. It is now going to be $1 and if you do not like it, I can get all the men I want for 85 cents. I do not think he could get all the men he wanted for 85 cents but he certainly could get some. I cite that instance in order to show the dangerous situation which is prevailing where employers are deliberately, as a matter of policy, cutting down purchasing power still further.

It is necessary that the government see that, as far as possible, purchasing power is restored in the widest possible way. But the government says: We have another method; when times get tough, we must go in for economizing. One of the aspects of economizing which they introduce is that teams are apparently sent through each department and a little clerk is hoofed out here and another little clerk is booted out there, and economizing is the word used for that procedure. But there is no economy. There is no economizing going on when there are almost 300,000 people unemployed and human resources are being wasted. It is to that aspect of economy that I should like to see this government devote its time. There is a loss in income which can never be replaced. The Minister of Finance (Mr. Harris) ought to have some appreciation for this argument because, with unemployment as it is now, there must be a loss in national income per week of at least $12 million, and within a few months' time it is going to be double that amount. Yet we have these hundreds of thousands unemployed, with little hope for them. What would the supporters of free enterprise in this house say if they saw capital being destroyed? I refer to capital either in the shape of finance or capital in the shape of things like machines, implements or buildings. They would be howling murder about it. Yet you are destroying the capital of men when you destroy the time they might be working. A man can never get back the hours which he has lost. A man can never regain the days he was unemployed; his capital is being destroyed.

There is another aspect to it. How are we going to approach this problem of the worker in industry and the owner of industry? Today, by and large, in corporate industry the owner is one who lends his money to industry. He can get that money back whenever he wants through the medium of the stock exchange. The owner lends his money, but the worker gives his life. Who then has the greater claim, morally or any other way, on the proceeds of industry? We in the C.C.F. say without question, the one who has the greater claim is the one who is doing the fundamental job of producing wealth. Yet we have not been able to sell that idea far enough, not only in this house but throughout Canada.

The situation in the future is going to be aggravated. It is going to become much more acute than it has been in the past, and for this reason. There is a new word being coined. It is coming into the English language, and it is called automation. I do not like these new words, but I do not know what other substitute there could be for this situation in which machines are displacing men. This is not new in industrial history. There has been progress because machines displaced men, although it should be noted that the progress was always at the expense of one group in the community, that group which could not protect itself.

Now, machines are displacing men at a rapidly accelerated rate. Automation is occurring far faster than was the case in the past. Let me give you one example, and there are many others which we could find if we were to look at industry. This is a situation which existed at the Chrysler plant in Detroit. There was an operation for the making of rocker arm supports, an operation

which included drilling, reaming and cutting. Five men were employed on two machines in this particular phase of the operation. These five men and two machines were able to produce 38 pieces an hour. Another machine has been brought in, so that one man and one machine can now manufacture 750 pieces an hour. In other words, a bank of the old machines could be rendered useless and 80 men could become unemployed because of this new piece of equipment and a social problem created.

Today we have to find the answer. The situation is more serious in the United States just now than it is here, but it is going to visit us in Canada. We cannot avoid it because there has to be progress. We may perhaps have to consider carefully how rapidly we progress, and in what way. If automation becomes more prevalent than it is today, the unions are going to find themselves in a position where seniority will count for nothing. The unions are going to find that job classification will go out the window because there will be no such thing in a mechanized society. Automation will certainly be here in our own lifetime. If this occurs the older worker, and by that I mean the man of 45 and over, is going to be unemployed. He is not going to be able to find work unless the fiscal policy of the government is such that, in some way or other, work is provided. There are, therefore, startling dangers ahead of us, and they are dangers because our political and economic thinking still lags lamentably behind the technology of the age. This thinking has to be brought up to date.

There may be an answer, perhaps, in the union request for a guaranteed annual wage. I certainly support the idea. I have heard it argued, on the other hand, that the guaranteed annual wage would be most unfair to management because management would be compelled to keep workers on their staff when no work was available. I should like to see management acting as bird dogs for a change. I am not altogether impressed with the quality or calibre of management in Canada. It is time they went out and did some rustling, not only to get orders but to make sure the men who are in the plants are being given employment.

Furthermore, a guaranteed annual wage may at last bring home to industry the responsibility it has to society. It is regarded as right, proper and prudent for industry to create a depreciation reserve for its fixed assets. Why is it not equally proper, prudent and wise to create a depreciation reserve for the human assets who are producing the wealth in the various plants throughout Canada? It is starting. We see signs of it here and there, but not in adequate quantities. Industry has to take a greater social responsibility for the men whom it employs. If the government, through its injurious fiscal policies, creates unemployment the government representing society as a whole has to take responsibility for that.

There should be none of this nonsense of striking a man off unemployment benefits because he has been unemployed too long and there is still no work for him. I am not suggesting the guaranteed annual wage is the complete answer because I do not believe it is. I hope, however, the Department of Labour is considering this problem which is arising, and will meet with the unions and management in this country as soon as possible to try to devise some answer.

There is one other matter about which I want to speak, and one about which every member of the house feels quite as strongly as I. I am not quite certain yet about the members of the cabinet. I am thinking about the plight of the burnt-out veterans. I suppose other members had the same experience I had when I was home in that I was asked on a number of occasions to meet the Canadian Legion and say what I thought of the situation. I may as well say here what I thought. I thought the government's conduct was shoddy and shabby. I said it and I still believe it. I am prepared to withdraw those words when I see the new legislation introduced.

I think the conduct of the Canadian people, also, may have been shoddy and shabby when we consider their responsibility, because these were men who volunteered to fight to keep the skins of the Canadian people intact. We were in danger, so we would pay anything for our safety. Of course, once we became safe, we forgot about our moral obligation to those who had suffered for us. I hope the government is going to turn that moral obligation into hard dollars and cents when the new legislation comes down. All these people are asking for is justice; they are not asking for too much because I have said in the past, and I say again, the briefs of the Canadian Legion have been exemplary in the sense that they have asked for what was fair and nothing more.

Another thing: I hope this legislation will include some provision whereby the burnt-out pensioner is not, in effect, denied the old age pension when he achieves the age of 70. It can be said he is not denied the old age pension, he gets it. He has a right to it, certainly, but his pension is cut down by the amount he gets and his total income is not one iota greater afterwards than before. While technically he gets the old age pension, in

effect he sees nothing of it. I hope the government will not be so miserable as to keep that regulation in force.

I should like to read a letter which I received. I have a great number of them, and I picked this one at random out of the file. It expresses very adequately what these old veterans feel. It is from 769 Atlantic avenue, Winnipeg, and reads:

Sir,

The veterans are making a most justifiable appeal to the government of Canada, to seriously consider their appeal for an increase in their allowance and I am asking you being our member of parliament to give it your full support and consideration.

I most assuredly do.

The amount received is not sufficient for our expenses, having to meet the increased costs on all sides. Also hospitals and doctors if our wives are ill, more or less as the case may be, making a serious demand on the allowance. It is very reasonable that a married man receiving a veteran's allowance should be able to bring his income to $2,000 per year.

That is a most reasonable request. This next sentence is one which has a sting in it for all of us.

This is not too much to ask of a government who now pensions its M.P.'s at $3,000 per year.

The government of Canada recognizes that an income of $2,000 per year is too low for a married man to pay income tax.

I therefore feel that this figure is the lowest reasonable figure to ask as an income for the veteran who is no longer able to perform steady employment.

Your support in this matter is solicited with deep sincerity. Anything you can do to bring the government recognition of its responsibility to the class of veterans affected will bring you the thanks and appreciation of all veterans.

I would be very happy to see this appreciation transferred to the shoulders of the government; and it can be easily transferred by bringing in the sort of legislation which has been asked for by veterans and which has been asked for by members on all sides of the house. And if the government is prepared to do it, then I for one, and for a very brief time, am prepared to forgive the government for some of its obvious inadequacies.

Mr. J. R. Garland (Nipissing): Mr. Speaker, rising to participate in this debate, may I forgo the usual custom of long and flowery congratulations to the mover (Mr. Leduc) and the seconder (Mr. Carrick). May I say simply to them and to the other new members introduced on Friday last that it is gratifying to know that the membership of this House of Commons, with its unrivalled opportunity for service, continues to attract Canadians of ability and integrity.

Before dealing directly with the speech from the throne I would like to comment on one piece of government business at our last session. I refer to legislation that made the lending facilities of our chartered banks available for home construction. I have always taken a keen interest in housing. Being a firm believer in the advantages of home ownership, I was naturally interested in this new legislation.

In our last session I was surprised and disappointed with the opposition in some quarters to this move. Some rather prominent members of the opposition expressed their doubts as to the advisability of having our banks participate in this field, and I seem to recall the hon. member for Broadview (Mr. Hees) in particular advising the nation that Canada's banks would not be able to provide funds for home construction and at the same time perform their regular functions. How wrong he was!

An examination of the financial statements of Canada's banks, and recent figures from Central Mortgage and Housing Corporation, reveal that the banks have made loans in this new field amounting to some $170 million. This is a remarkable performance when one remembers that the legislation was only in effect for a few months of the banks' fiscal year; and, what is more important, more housing units were completed in the year just ended than ever before in our history. Now Canadians will welcome the reference in the throne speech indicating the government's intention to bring into operation, at the beginning of February, those provisions of the National Housing Act in which loans may be made for home improvements. It is evident to most that this proposed legislation will substantially improve housing conditions in this country.

Mr. Speaker, there is another matter of national importance and of special interest to the people I represent and to northern Ontario generally, and that is the trans-Canada highway. A survey of the progress of this important project in northern Ontario is not impressive. I recognize the magnitude of this development and can understand the pressures and needs from the more densely populated areas of southern Ontario for a larger share of the highway dollar. I also recognize the difficulties the Ontario government has been having with their highways department, and I do hope that now, since the premier of our province has apparently found it necessary to intervene personally in this department, we can properly expect more emphasis on construction in northern Ontario. Our people expect and need this fine project completed as soon as possible. The continued development of northern Ontario is dependent on this road.

The further expansion of our tourist industry, the opening up of new areas giving

transportation facilities to new mining and lumbering developments both present and future, point up the need for the early completion of the trans-Canada highway through northern Ontario. May I remind the house that the agreements with the provinces were signed back in April, 1950, and are due to expire December 9, 1956. This leaves less than two years, and it is my sincere wish that every possible priority be given this important project by the government of Ontario and, indeed, all the provinces. After all, the federal treasury is paying 50 per cent of the costs, and the Canadian people expect action. If the necessary co-operation is not immediately forthcoming, I would suggest the federal government taking a firmer attitude with the provinces.

Another matter of concern is the early construction of a natural gas pipe line through northern Ontario. We are pleased to learn from the press recently that Trans-Canada Pipe Lines Limited now plan a more northern route to serve northern municipalities, with a spur line from North Bay to other important northern Ontario centres. Anything this house does to expedite this matter will be appreciated by northern Ontario.

There is another subject, Mr. Speaker, of direct concern to the people of Nipissing, that needs the attention of our Department of Public Works, and I take advantage of the opportunity afforded members in this debate to discuss local matters. I refer now to the docking facilities at North Bay and Sturgeon Falls. I am not going to remind this house that the district of Nipissing is truly a tourists' paradise—this is already well known. I need scarcely remind hon. members of the excellent facilities throughout our district. The Ontario Northland Boat Lines operate an excellent boat, the *Chief Commanda,* daily during the navigation season, from the North Bay wharf. The rapid expansion of the tourist industry in Nipissing is causing an ever-increasing flow of traffic over the present facilities.

Important mining activities on the islands of lake Nipissing have further increased the flow of traffic. I have been successful in having repairs of a temporary nature done to both docks, and appreciate the co-operation received from the department. However, the time has come for extensive repairs to make sure that these important facilities are adequate for present-day traffic requirements.

It is not my intention to deal with many of the subjects contained in the speech from the throne. Most Canadians will approve the proposed amendments to the Unemployment Insurance Act immediately to assist our citizens who, through no fault of their own, may be unemployed this winter. And I am pleased this legislation is now under way. Canadians generally will approve the government's intention to amend the War Veterans Allowance Act, to raise the basic rates as well as the ceiling on permissible incomes of allowance recipients.

There will be general approval of the government's proposal to lower the age of eligibility and raise the income ceilings of Canada's blind citizens. Canadians will now have the right to expect humanitarian treatment for her disabled citizens. Too long, now, has this been a dark chapter in our program of social welfare.

Located as we are in Nipissing, so close to the gold mining country, and dependent on it for a substantial share of our economic well-being, we are anticipating continued support to that important industry through the Emergency Gold Mining Assistance Act. Further, I am sure all those interested in municipal affairs will await with keen interest the proposed amendments to the Municipal Grants Act.

I am not unmindful of Canada's activities and our responsibilities abroad in the fields of diplomacy, co-operative defence and assistance to underprivileged areas, plus a genuine desire and need further to promote freer world trade. Our government is keenly aware of these tremendously important problems and I can see no useful purpose in my discussing them at this time.

During the next several days we will undoubtedly hear much criticism of the speech from the throne, and that is as it should be in a democracy. Our socialist friends will argue that the benefits forecast in the speech are thoroughly inadequate. They will undoubtedly urge the launching of a huge program of public works, as though the benefits come automatically with the spending of public money. This seems to be the socialists' chief answer to current unemployment.

Our Progressive Conservative friends, on the other hand, will, as usual, talk about what it does not contain, and will no doubt take the position that spending of the kind recommended by the socialists will not correct the employment situation, and will only add to the already high prices of goods and services which the Progressive Conservatives claim is the real problem in the Canadian economy.

Sir, as a "middle of the roader", if such an expression is permissible, I suggest the answer, as is so often the case, lies somewhere between these two points of view. The spending of public money on well-planned and urgently needed public projects and services is necessary, and can make an important

contribution to our economy. But I suggest that this parliament approach our problems at this time calmly and confidently. Let us not be pushed into hastily conceived schemes. May I suggest that while this is not a time for complacency, neither is there any justification for gloom-peddling or any artificial pump-priming of our economy, or special preferred attention to a selected few.

In my opinion, our economy withstood the shocks of 1954 in surprisingly good fashion. The market for our staple wheat exports suffered a real slump. The United States experienced a sizeable recession that quite naturally took the edge off our prosperity here. There was a poor wheat crop in the west. These unfavourable circumstances were quite beyond the control of Canadians, yet we find new investment continuing at a high level. Our exports were reduced only by about the equivalent of the drop in wheat sales. Our other exports were just about maintained. In spite of the normal difficulties of Canadian exporters, a more favourable balance between exports and imports was achieved in 1954 than in 1953. This result, in my opinion, makes nonsense of all the clamour we hear that high Canadian costs are pricing us out of world markets.

Perhaps "makes nonsense" is rather strong language. Perhaps I should say that it punches plenty of holes in the sweeping charge that high Canadian costs are pricing us out of world markets. Let us remember that costs are only one factor that go into a sale. Let us remember that there are others. There is the question of availability. There is the question of quality and the question of aggressive sales approach. In the case of appliances and machinery there is the question of a good service organization behind an aggressive sales organization.

I am not suggesting that these factors do not exist, but one should not accept the general statement that high costs are our only problem in trade. Let us not forget that also in the late 1940's and the early 1950's we enjoyed markets that had never been traditionally ours, and it is only natural that since these countries have come back from the devastation of war they are going to be able to supply the products that they normally supplied. While we shall lose some markets, it is true, we are going to gain others and this is particularly true of our forest products in many countries of Europe. It is particularly true of base metals in many countries in Europe. I believe there are figures showing that the exports of these two commodities I have mentioned have increased in some months during the past year to as high as 30 per cent or 35 per cent over the corresponding months of 1953.

Let us look for just a moment at the future. This Liberal government should seek to improve the already excellent relationship between business and government in Canada, and should continue to offer every possible incentive to new and existing business, as it is only through steady expansion of our free enterprise system that we can continue to improve the living standards of our people.

At the same time, we must recognize that at this halfway mark in the century we have reached the stage of development where those that have must share a part of their good fortune with those less fortunate, so that all of us may have more of the good things of life.

I suggest we have reached this stage in our international thinking as well as at home. Such a policy is reasonable and right, and is bound to find favour with free, fair-minded people everywhere. Such a policy I will continue to support in the firm belief that Canada can move forward to an even brighter future.

This policy of freedom for business, and social security for our people, has been inconsistent with Tory and socialist thinking alike, down through the years. To them, such a policy of co-existence could only be tolerated in cases of extreme emergency. To me, this combination of free enterprise and social welfare is the very cornerstone of the Liberal approach, and that is why the Liberal party continues to enjoy the confidence of fairminded Canadians everywhere.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, January 13, 1955

Sir:

I have the honour to inform you that the Honourable Patrick Kerwin, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 13th January, at 9.45 p.m., for the purpose of giving the royal assent to a certain bill.

I have the honour to be,
sir,
Your obedient servant,
J. F. Delaute,
Secretary to the Governor General
(Administrative)

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Rowe, and the amendment to the amendment of Mr. Coldwell.

Mr. J. W. Murphy (Lambton West): Mr. Speaker, in spite of all its carefully chosen words and limited demands, the speech from the throne could hardly be expected to suppress the fact that there is mounting unemployment at the present time in Canada. This is an ugly fact that stares us all in the face. It is a condition of our national economy that in my judgment will not be remedied by the building of ferries, the construction of an odd harbour, the removal of Ripple Rock, the building of historic sites and monuments and the like.

I think it is high time that we as members of parliament addressed ourselves seriously to the problems facing Canada with respect to production and trade. As that is going to be a most important subject during this particular session, I would like to go back and review a little bit of historical background relative to trade and tariffs.

The year 1914 closed an era. One world then died and another is still struggling to be born. That old world was dominated by one great country that had coal, limestone, ore and other basic resources close to the seaboard, and these provided the sound basis for an industrial economy which spread itself throughout the agricultural and raw material areas of the world.

The central fact about Britain's industrial economy was that she was first in the field and thus able to develop a tremendous lead over all possible rivals. In fact until the very latter part of the nineteenth century she had no industrial rivals at all. The British made money, therefore, by buying raw materials as cheaply as possible and selling against all comers in free markets, the countries to whom they were selling not having the facilities to manufacture industrial goods.

Today the industrial centres of production cannot be counted on the fingers of one hand. Two-thirds of the population of the world still remains peasant and poor, but in the other third industrial development in most cases has changed and is changing the social pattern of life, and has rescued and is rescuing nations from poverty in constantly widening areas.

People ask the question: Why should we have agricultural surpluses when so many are in need of food? The simple answer is that these countries in need of food have not yet been able to organize their resources and their political systems so as to be in a position to buy food. As you know, we do have the Colombo plan.

It is a truism that predominantly agricultural nations are poor. It is almost now a platitude to say that it is research and the industrial improvements that follow that transform our agriculture, our forest and mining industries into enterprises that provide more profitable occupations. Industrial development keeps our economies in a constant state of peaceful revolutionary change, and thereby provides better working conditions and better real incomes for all the individuals and families of our population.

Today we should have a searching look at our Canadian economy. That means we should glance backward and look forward. It is by looking at the wake of a ship that you can best discern the direction in which the ship is going. It is by taking a look at Canada back to the time of confederation that we are able to see the course on which our national economy was set some 85 years ago.

The first prime minister of Canada was Sir John A. Macdonald. Following confederation there was a brief period of political consolidation, but in 1888 Sir John realized the lonely isolated economic position into which our economy was drifting. We had enjoyed very valuable preferences in agriculture and in shipping in the British market, to which our timber products at that time were making great contributions. But between 1846 and 1870 Britain had transformed herself into a free market economy and we were on the same basis in that market as all other countries of the world.

The United States had fought the Civil War and thereby swung the southern states into the industrial orbit of the north. Reciprocity, which we had enjoyed with them, was abrogated. We were on our own. We had no real chance to develop native industries because of the much superior technological ability to produce possessed by other countries, especially the United States. Difficulties were on the horizon everywhere facing our producers of farm and other raw materials. In these circumstances Sir John A. Macdonald moved his now famous resolution in the House of Commons on March 12, 1878, on going into committee of supply, and this I will read:

This house is of the opinion that the welfare of Canada requires the adoption of a national policy, which, by a judicious readjustment of the tariff,

will benefit and foster the agricultural, the mining, the manufacturing, and other interests of the dominion; that such a policy will retain in Canada thousands of our fellow countrymen who are now obliged to expatriate themselves in search of the employment denied them at home; will restore prosperity to our struggling industries, now so sadly depressed; will prevent Canada from being made a sacrifice market; will encourage and develop an active interprovincial trade; and moving (as it ought to do) in the direction of a reciprocity of tariffs with our neighbours, so far as the varied interests of Canada may demand, will greatly tend to procure for this country, eventually, a reciprocity of trade.

Note the last part of the resolution, which may appear today to have been brave words at the time. Sir John's resolution clearly implied we cannot have reciprocity with the United States until we set our own house in order; until we got into the habit of processing our own industrial and raw materials, and until in time we will be able to meet the United States on some reasonable ground of nearly equal competitive terms.

Thus we had, particularly in these two central provinces of Ontario and Quebec, the beginnings of what are now vast industries that can compete on nearly equal terms with any other country in the world. Most of our long-established industries can produce goods, pay salaries almost as high as anywhere else—I think as high as anywhere else with the possible exception of the United States—and put our goods on the world markets just as efficiently as other industrial countries.

The Conservatives were called upon to quit in 1896 and the Liberals, under the great Sir Wilfrid Laurier, took over until the year 1911. The Liberal party came into power on a trade platform which threatened to sweep away protection in Canada by promising to restore free trade on the model of industrial Britain. But when they came into power they became realists. It is true that they gave a voluntary preference to Britain, but Britain was not the great industrial threat to our native industry. It was the United States. At all events the national policy of Sir John A. Macdonald was so well safeguarded by the Liberals in power that the tariff structure which they left behind them in 1911 remained unchanged through the administrations of Borden and Meighen. There were some special war duties, but they were repealed as soon as the war ended.

If you compare the actual tariff exactions levied during the Laurier regime and the later regimes of Borden and Meighen, you will find that taken as percentage totals of all imports they vary by less than a fraction of one per cent, and generally speaking the same tariff which was accepted by the Laurier government in 1896, maintained by the Borden and Meighen governments from 1911 to 1922, was still good enough to survive the verbal onslaught of the Liberal leader who was prime minister of this country for over 20 years. So the Macdonald policy, in developing industry, became and remained the cornerstone of Canadian economic policy.

Up until the war of 1914 the development of industries and courageous immigration policies in our country and others maintained a healthy demand for primary products, and an especially wholesome demand for farm products. There were no difficulties in finding markets for farm products up until a year or two following world war I. But, of course, inevitably the war geared agricultural production to a point that could not be sustained in the face of the shrinking demand for agricultural products that followed the war.

The United States took swift action to protect its agricultural industry. In the early twenties we had the Fordney-McCumber tariff which disastrously cut the volume of our farm and fish exports. A post-war depression in those days seemed to be taken for granted, and in the middle twenties, after an industrial shakedown and temporary unemployment, Britain returned to the gold standard and the industrial process was again in healthy and rampant stride.

For reasons I do not wish to go into now at length this world economy which was promising so much, particularly to those optimists who were investing in the stock market—and weren't we all—collapsed in 1929. The United States congress again acted promptly. They enacted the Hawley-Smoot tariff which all but obliterated what remained of our farm export market. They followed this in 1932 with a special revenue act putting specific tariff duties against such metals as copper and such other primary products as lumber.

Mr. R. B. Bennett was then prime minister of Canada and, in different and even more difficult circumstances, he faced the same problem as Sir John A. Macdonald.

Canada was refused entry into the United States of her agricultural surpluses and her metals and lumber, and Britain, with the exception of some 100 special and not very high duties imposed during the war and post-war period, was operating on a free trade basis.

Mr. Bennett invited the nations of the commonwealth and empire to a conference in Ottawa. In the meantime Britain was forced off the gold standard and reverted to a substantial tariff structure ranging on industrial products from 10 to 33 and in some cases up to 50 per cent.

Most of the discussion about the empire agreements at that time centred on the secure and sheltered market we were guaranteed for portions of our agricultural products in Britain, but, as I see it now, the great gain that flowed from these agreements was the stimulus it gave to Canadian manufacturing industries.

As I pointed out, the British tariff on manufactured goods ranged from 10 to 33 and even up to 50 per cent, and as a result of the empire agreements our manufactured products were admitted into that country free.

What did this mean? It meant that United States industry selling to Britain would have to pay these rates I have just mentioned, whereas, if they moved their plants into Canada, or established branches in Canada, the products of these plants entered Britain mainly free of duty. You can go through Ontario or elsewhere in Canada today and you will see industry after industry which obtained a footing in this way and as a result of this development are now flourishing and supplying markets at home and abroad.

What we should all try to escape from is the state of academic anaemia in which our discussions on trade policy are conducted. In face of the record I have mentioned, what is the use of discussing free trade as a practical political proposition? All such discussion does not alter the fact that there is no genuine free trade party in Canada and there never was.

Since we have a tariff for protection, why not be fair and reasonable about its application? Why should industries which have entered Canada at the request of the government to supply vitally needed war materials, and which now employ many thousands of Canadian workers at the best prevailing rates of pay, be made the victims of hypocritical trade philosophy? That is the trouble about this double-talk regarding protection for industry.

The industries which can exert effective political pressure on the government are able to break through the sound barrier erected by the alleged free traders. Industries that are anxious to get on with their business and take fair and equitable treatment for granted are sacrificed on the altar set up by the academic free traders.

Because of our recent discoveries in natural resources, including gas and oil, we are in the process of developing a huge chemical empire in this country. This chemical industry has already been highly developed in the United States. Some products of these and other industries are admitted into Canada free from the United States, and similar products going from Canada to the United States are subjected to substantial customs tariff rates.

When a given product is produced both in Canada and in the United States, and the government across the border levies customs duties and other imposts much in excess of ours, such a situation should become a matter for adjustment between the two countries. Canada's exports are fettered by foreign tariff regulations while, on the other hand, Canadian industry is exposed to damaging competition.

After the war we had visions of drawing all the nations of the world into various forms of collective action which were to be the sure road to a political world paradise. All nations banded together were to be as happy and peaceful as a basket of kittens. We now know that some of the kittens turned out to have long claws.

Let us not despair in the task of finding real avenues to a restored world order. But let us work with practical means towards practical ends. We are standing by the general agreement on tariffs and trade, while others are not. Our dairy products are subject to quota and our coarse grain products are either placed under quota or subjected to voluntary quota agreements. Devices are found within the terms of the agreements to protect domestic manufacturers. We take no advantage of such, while others do.

The ideological struggle between communism and democracy has led to the popular use of the expression "co-existence". In my opinion Canada should seek a revision of the Geneva trade agreement on the basis of Canadian industrial co-existence. By that I mean that out of an appreciation of a definite national purpose we should look to the recasting of our trade agreements to the degree that Canadian industry is allowed the right to live, even as our trading partners will seek the same right for their industries.

This, in essence, is what I mean by co-existence: the safeguarding and successful existence of Canadian industries which must, of necessity, compete with foreign industries which perhaps have advantages of labour, wage rates, and many other considerations.

We cannot pursue an inflexible policy which stifles industry and denies labour an opportunity of steady employment. Foreign exporters to Canada and Canadian industries cannot expect to sell much to unemployed Canadians.

Our domestic producers pay an excise tax of up to 15 per cent, and on top of that a further sales tax of 10 per cent. The Canadian manufacturer of automobiles pays excise and sales taxes totalling 25 per cent, against

the manufacturers across the line who pay an excise tax of 7 per cent. It is no wonder automobiles are cheaper in the United States.

We have an unemployment problem that will not be cured by public works or by subscribing to some bogus theory of free trade. It will be solved by giving good sound industrial enterprises a chance to compete on fair terms with industries abroad. In other words, an opportunity of co-existence.

A policy which levies excessive taxation on industry prices its products out of the market, adds new burdens to the cost of living, causes unemployment in Canada, and is obviously not good enough.

Japan and Germany are rising out of the ashes of defeat. Their standards of pay are not such as our workers will accept, and we do not want them to accept such standards. India looms across the horizon. What we need urgently now is a reappraisal of our national policy which has been accepted by all political faiths.

The general agreement on tariffs and trade is now up for revision. We are now in a position to make a reappraisal of its benefits and disadvantages to Canada.

Formerly we got on pretty well by making agreements with individual nations. In each case the effects of the agreements could be fairly forecast by the interested parties, by our trade experts, and by those who speak for the consumers at large.

Admittedly, GATT, which represents a general trade device that ties us all to a theory that does not always work out in practice, presents vastly new problems for our experts who advise the government in such matters.

Many members of the house were disturbed by the statement made by the Minister of Trade and Commerce (Mr. Howe) after his return from Geneva. He seemed to think that the end of the world had come, in so far as international trade on a broad scale is concerned.

Let me say at once that we believe that the most earnest efforts should be made by this government to maintain the general structure of tariffs and trade agreements that were worked out in the first instance at Geneva, and which are now generally known as GATT. We, like most other signatories to this agreement, have two objects in mind. We want reasonably legitimate competitive safeguards for industries that are established in this country, and for industries, although now in their initial stages of development, that give real promise of becoming the means for profitable employment in this country. And we want markets for our surplus products.

[Mr. Murphy (Lambton West).]

The United States is now concerned about the problem of assuring itself of an adequate supply of key materials, especially minerals, and these at the lowest possible cost consistent with security factors.

Many of their needed products are produced in abundance in Canada. The United States more and more will become dependent on our imports of copper, lead, zinc, and iron ore. We, in the meantime, are dependent on them for coal and for citrus fruits. The coal problem is somewhat mitigated by the development of our oil and gas resources. We need their cotton. But in this day of substitution, we do not know how long that need, based on United States production, will last. One certain thing is that we were selling them large quantities of iron ore and we were buying from them large quantities of steel in the form of ingots and finished goods. They will continue to rely on us for supplies of nickel, asbestos and tin. Canada has the materials the United States needs. Canada has the basic materials, aluminum, iron ore, uranium, pulp, paper and lumber.

Our location gives us a major advantage in competing with the United States, and from a security point of view we are considered their best source of supply. We enjoy their confidence. Their investments in Canada have been richly rewarded over the years.

With the United States, and more particularly with our sister nations of the commonwealth, and in co-operation with the free nations of the world today, we must seek to re-establish orderly trade. Nationalism is still the most potent force in the world and what we must do is seek the great objectives of world security on the basis of enlightened self-interest. We shall not be true to the trust that is ours if we do not continue to process greater percentages of our base metals in Canada. We cannot be content to be hewers of wood and drawers of water. We can do as others do—and what is today the accepted basis of trade—namely, appraise our strength as a trader and obtain markets for these surpluses—especially in agricultural products—which we cannot use, and admit articles on a basis that does not destroy our standards of wage payments and our standard of living.

Finally, let me say this. We shall be false to our trust, and false to the best interests of Canada, if we continue to invite useful industries into Canada and then, for no good practical reason, have them slaughtered on the altar of an academic free trade policy.

If the dour predictions of the Minister of Trade and Commerce prove to be correct, we

will be on the verge of a jungle war in international trade, and the people of this country will expect the government to work out plans with the commonwealth, with the United States, and with as many of the free nations of the world as possible to regain our lost markets for our surplus products in this country.

Mr. Claude Ellis (Regina City): Mr. Speaker, there are a few comments that I should like to make at this time because I feel that this debate should play an extremely valuable role since it provides members on all sides of the house with an opportunity of turning the spotlight on what they consider to be the most important issues in their respective constituencies.

After having read carefully the speech from the throne, I fail to see where the government has given consideration to what I believe to be the most pressing problems facing the Canadian people at the present time. The government apparently has chosen to ignore the basic economic problems and is hoping that, by giving a few pieces of worthwhile legislation of a minor character—that is in terms of the whole economic picture—the people of the country will be satisfied. I suggest that in the government's approach to its legislative program this year they have given us no reason to believe that they are going to make any frontal attack on the most important problems which we face at the present time.

I feel a debate of this kind gives members an opportunity of expressing something of their basic philosophy and of their over-all approach to the problems of the government. One or two other members who have spoken in this debate have referred in a brief manner to this important aspect, namely the whole attitude of the government towards the legislation and its whole attitude towards the role of government in society.

There are in this country those who believe that the activities of the government should be restricted to an extremely narrow sphere. There are those who believe that the less the government has to do, in so far as the economy is concerned, the better off the Canadian people are. I find it difficult to understand why those who champion the cause of free enterprise deem it necessary to support such things as the anti-combines legislation and all sorts of government legislation which was placed on the statute books for the particular purpose of defending the people of Canada against the big business interests of this country. Indeed, if the champions of free enterprise were to follow their own belief to a logical conclusion, then I am sure that the people of this country would find themselves in a much more serious position than that in which they find themselves today. Indeed in a democratic society the people have a right to look to the government not only for protection against economic interests over which they have little or no control, but also to give them some direction, some leadership, in the solution of economic problems. This concept of government is not new. Abraham Lincoln once described the government's role to be one of doing for the people what they were unable to do for themselves. As time goes on and our society becomes more complex, I believe the need for the continued attention of the government is self-evident. If you were to ask a man who is unemployed today, and who has done his level best to find employment, what he thinks of that concept of government, I am quite certain he would say, "I have done all I can for myself and must look to the government for some help to obtain employment". I think that is the logical and sensible way of viewing the activities of government today.

Now, we in this movement believe that in a democratic society the government which represents the people has a duty and responsibility to care for the interests of the people as a whole. The other day some hon. members referred to the credit union movement. I as a member of the co-operative movement, and as a member for some years of a credit union, wholeheartedly agree. There is a case where people, realizing that in our vicious economic system it is necessary to band together for mutual self-protection, are doing just that in a limited manner. What we in this movement argue is that the same principle applies to the economic machinery of this country as a whole. What we want in democratic society is a greater measure of democratic control of the economy.

There is planning in this country. Hon. members talk about the dangers of planning. It would be impossible to carry on a modern government without a great degree of planning. Our whole economic machinery in this country is planning. The big question is not whether or not we are going to have planning; the question is who is going to do the planning and on whose behalf. We argue that whatever planning is done should be done in the interests of the people of this country, not planning by corporations designed to enhance the fortunes of this or that particular group of companies. We know that in this complex society in which we live there has to be planning. We in this movement insist it should be democratic planning by a democratic government in the interests of all the people of the country.

Earlier I mentioned that in my opinion the government has completely ignored the basic economic difficulties facing the people of this country. I want to refer to just two or three signs of that unwillingness to face up to reality. Coming as I do from a constituency which depends entirely on the prosperity of the surrounding agricultural area, I am very much alarmed by the falling off of our external trade and the serious decline in net farm income. I cannot view with anything but seriousness the fact that in the past year our exports of Canadian wheat and other coarse grains has declined by some 40 per cent. When you translate that fact into its broader implications throughout Canada it is easy to understand why there have been widespread lay-offs in the farm machinery industry, why industrial activity is down, and why we find many industrial workers unemployed.

In addition to the falling off of agricultural exports we know that for the first ten months of last year there was a decline in the value of merchandise exports by approximately 8 per cent. These are signs which the government ought to take into consideration. The government should realize they are danger signs which must be faced if we are to avert an even more serious economic condition in this country. I can recall attending political meetings in my own province where the Minister of Agriculture (Mr. Gardiner) and Liberal spokesmen have answered the question of the lost British markets by saying, "Look at our trade position; we are doing wonderfully well." They completely ignored the fact that our trade position was based on the fact we were exporting agricultural commodities to the United States.

Anyone who wanted to view the situation objectively would know that the United States has never been, and will never be, a dependable market for farm products. I believe it was the editor of the Montreal *Star* who last week, speaking over the air, described the United States market as something like a water tap. If the United States producers were not able to meet the requirements of the domestic market and export trade, the government would turn on the tap and allow our Canadian products to enter the United States. But just as soon as the United States production was sufficient to meet the domestic requirements of that country and to take care of their export requirements, then of course the government would turn off the tap. Anyone who wanted to use a little bit of foresight and plain common sense could have seen that development coming.

Apparently this government, when it lost the British market, said, "Look, we have given you markets in the United States." They must have known we could not hope to keep those markets indefinitely. This is not without its serious effects on the economy of this country.

With respect to the falling net farm income we find that 1954 was the third successive year in which there has been a substantial drop in net farm income. During that period net farm income dropped from $2,115 million to $1,200 million, a drop of some 44 per cent. One cannot stress too strongly the seriousness of this disastrous drop in income, because the farmer plays a unique role in our economy. The farmer is not merely a producer of consumer goods, he is also the owner and operator of a relatively highly capitalized small business. In that dual role he is purchasing farm machinery and other capital goods. No survey has been made in this country to reveal the extent to which that is carried on, but research surveys have been made in the United States which indicate that the average farmer will purchase 2·4 times as much per capita as the consumer in the city.

Thus we find this disastrous drop in net farm income has a very serious effect on employment in the industrial areas of Canada. One cannot stress too strongly the interdependence of those who work the soil and those who work in our factories, offices and other places of employment.

This brings me to the third aspect, and one with which I should like to deal in a little more detail, the question of unemployment in Canada. One of the most discouraging features of the speech from the throne is the refusal to face up to the unemployment problem as it exists. The government tries to create the impression that unemployment does not exist in Canada. When they are placed in the position of having to defend themselves they say there is a little unemployment but it is only seasonal or only regional. They will try to pass it off as being of little consequence. Perhaps as supporters of the free enterprise system they believe a little unemployment is inevitable. Perhaps they take the attitude of some businessmen that not only is a certain percentage of unemployment inevitable under our system but that it is desirable. I do not know whether that is the thinking of the members of the government, but at any rate they do not seem to pay very much attention to the fact that some 500,000 or more—this year likely closer to 600,000—Canadians will be out of work.

The government does not consider that serious enough. Just how serious does the unemployment situation have to become

before the government recognizes it exists? Are they going to wait until there are 800,000 unemployed, one million unemployed or 1·5 million? Just where are they going to draw the line between concern and lack of concern? They have argued that unemployment is regional, that it is seasonal. We know that according to the national employment service last winter there were some 569,000 Canadians out of work. Last fall the Canadian Congress of Labour estimated that this winter there would be in excess of 600,000 persons in Canada out of employment. Yet the government feels that this is not serious enough to give closer attention to in its legislative program this year. We know that this unemployment is not concentrated in any one particular area, because we find unemployment in all parts of Canada. I have talked to members of the House of Commons from all parts of the country and I have heard the same story—"Unemployment is bad in my city"; "Unemployment is bad in our part of the country."

I say that some of the members on the government side of the house who get up and pat the government on the back ought to ask themselves the question as to how serious unemployment is in their own community. I would like to know how many government supporters are prepared to get up and say that there is no unemployment in their constituencies. I doubt if one of them can get up in this House of Commons and say that the unemployment situation is not serious in his area.

I would welcome the assurance to the house by the government supporters on this unemployment question, but we do know this, that we have the facts regarding unemployment. We know that unemployment has increased in the following industries: non-ferrous metal products, mining, shipbuilding, machinery, aircraft and parts, sawmills, construction, logging, clothing, railroad equipment, automobiles and parts, iron and steel, textiles and farm machinery. These are the basic industries of this country—particularly the steel industry.

As I say, these are the basic industries of Canada. There is mounting unemployment in these industries; yet the government feels that it is not important enough to make a frontal attack on the problem. With respect to the farm machinery industry, which is a striking example, there has been such a fall in net farm income that the farmers cannot buy new machinery. The result is that we find widespread unemployment in the farm machinery industry. We know that since 1952 there has been a reduction in farm machinery production to the extent of some 34 per cent.

Once again, the attitude of the government seems difficult to understand—this willingness on their part to ignore the seriousness of unemployment in this country. And with respect to the argument that unemployment is regional, as I have already pointed out, if anyone will make a survey of the country he will find unemployment right across Canada.

Just look at the records of the employment offices and they will indicate that unemployment is widespread from one part of Canada to the other.

And then, in connection with seasonal employment: of course we have always had seasonal employment in this country. And yet it is only in the last couple of years that we have had such great numbers of unemployed as we now have in the winter months.

Then, of course, just because a man gets a few months' work in the summer months is not an answer to the employment problem. I am sure that those men who are looking for employment want year-round employment. They want some measure of job security with decent working conditions and good wages. The government cannot take satisfaction from the fact that the unemployment figures might be a little higher in the winter than they are in the summer. What we want is employment all the year round; and in those areas where such employment is not available there should be other employment made available so that those who are doing seasonal work can take on other work in the off-season.

These are questions to which the government must give serious consideration. Then, with regard to the government's attitude concerning unemployment, I wonder why they refuse to admit the seriousness of the problem. I suggest the reason the government is not willing to face up to the unemployment problem is the simple fact that they have no plan or no solution for the problem; and they hope that by ignoring it they can muddle through, and that something will come along to pull them out of the economic swamp in which they find themselves at the present time.

Now, with respect to the official opposition, it was quite interesting last Monday to hear the speech of the Acting Leader of the Opposition (Mr. Rowe) and to remember that he alone, among the present members of his party in the House of Commons, was a cabinet minister in the government of the late R. B. Bennett. I do not think our memories are so short that we cannot cast

our minds back over that period, during which time we had a Conservative government in this country. I believe the late Mr. Bennett went out to seek election and in a public meeting in Regina promised to end unemployment in 60 days, I believe it was, or 90 days—some such time, anyway.

An hon. Member: Ninety days.

Mr. Ellis: Ninety days, was it? Well, he was going to end unemployment in ninety days.

An hon. Member: And he did.

Mr. Ellis: Someone in the official opposition says that Mr. Bennett did end unemployment in 90 days. Well, I do not know whether he thinks that the relief camps were a solution to the unemployment problem of that time. But we do know that apparently that was the Conservative party's answer to unemployment: "Let us herd all the single unemployed into relief camps and get them out of the way, into the bush country. Let us remove them from their homes and put them in relief camps, in enforced idleness."

That was regimentation, if there ever was regimentation in this country. Hon. members who talk about regimentation in society must know that we had the greatest regimentation during the time of the relief camps under the government of the late R. B. Bennett.

Then we had a change of government in 1935 when the Liberals took office. Well, they muddled along in 1936, 1937 and 1938, and nothing was done about the unemployment problem. It is true that they did away with the relief camps, but in place of those relief camps the young men were hounded about the country, driven from one city to another, kept one jump ahead of the vagrancy laws. Those who were fortunate enough to get direct relief got 50 cents a day, out of which they were supposed to house, feed and clothe themselves—all on 50 cents a day relief. And that was the Liberal party's answer to unemployment at that time.

Then the war came along, and apparently that granted a reprieve. The great development in the industrial machinery of this country in connection with the prosecution of the war brought about a period for which they now take credit, and describe as a great period of prosperity. And then after the war, when the leading economists, when the spokesmen for the chambers of commerce and the various banks, along with members of the C.C.F., predicted that when the war ended and a transformation from a wartime to a peacetime economy had taken place we would be faced with a recession, and an inevitable depression, the evil hour was put off. This was done first of all by the repairing of the ravages of war, indirectly by exports in connection with the Marshall plan, and so on, and then later through the development of the cold war followed by the great rearmament program and then Korea. All of these were artificial stimulants to the economy which managed to maintain a relatively high level of employment in this country.

But now, in spite of all that, in spite of the tremendous defence program, we are now faced with the fact that we have over half a million unemployed in Canada. And the government chooses to do nothing about it.

Now, with respect to the government's attitude toward the unemployed—

An hon. Member: Take care of the Socreds now.

Mr. Ellis: Someone says to take care of the Socreds. I have not mentioned them because, by their own choice, they have aligned themselves with our friends across the chamber, and with our Progressive Conservative friends to the right. They are the most vociferous element of free enterprise, and consequently have completely removed any possibility of attaining anything so far as reform is concerned.

I believe during the time that the late Mr. Bennett and the late Mr. Mackenzie King were wrestling with the unemployment problem in the thirties, in their own hearts they desired to see the end of unemployment. But they failed because their parties were committed to maintain the free enterprise system. And because they were tied to that system they found themselves powerless to grapple with the forces produced by it.

I hear some interruptions to my right, Mr. Speaker, but I have not been able to hear them clearly. I wish I could, and I would answer.

I suggest the reason the government has not been able to grapple with the problem today is that they are committed to the defence of the free enterprise system. We know that the Prime Minister quite rightly reminded the Acting Leader of the Opposition (Mr. Rowe) that they too were committed to a defence of the free enterprise system; and therefore offered no alternative. Concerning the economic problems faced by the people of this country, the failure of the government to deal with them would be matched by the failure of the official opposition to deal with them and the failure of the Socreds to deal with them, because any party which commits itself to a defence of free enterprise finds itself unable to deal with the problems facing the country at the present time.

Sir William Beveridge, in a study of the post-war situation in Great Britain, came to roughly the same conclusion, that within the narrow framework of free enterprise no solution was possible to our major economic difficulties. We in our group believe the health and the prosperity of the people of Canada to be more important than a slavish adherence to an outworn economic system. Because we believe that, we are in a position to offer policies that will tackle and overcome the problems facing Canada at the present time.

I realize it would be too much to expect the government to adopt our policies. That is too much to expect. I realize that after we have championed a cause for some considerable length of time and it grows in popularity with the Canadian people, when it reaches a certain stage then they are quite apt to reach out and embrace our program and our policies. We have even gone one step further. We have got to the stage where even the Conservatives are willing to reach out and embrace our policies. I believe the most interesting feature of the amendment offered by the Acting Leader of the Opposition was the fact that they now appear to be in favour of health insurance.

Mr. Blair: We have been for years.

Mr. Ellis: We have been arguing for health insurance up and down this country for years. The Liberals promised health insurance in 1919. As a matter of fact, the hon. member for Vancouver South (Mr. Philpott) reminded us of that fact the other day. I presume we will wait an equally long period of time for fulfilment of programs which they have not as yet announced regarding health insurance.

The Acting Leader of the Opposition has submitted an amendment in which he placed the official opposition in favour of health insurance. In these circumstances it seems very difficult to understand why, with the government apparently in favour of health insurance—around election times they certainly are—and with the official opposition in favour of health insurance—the C.C.F. has always been in favour of health insurance—we have not got it.

If the Conservatives are now in favour of health insurance, and if, as the hon. member suggests, they have been in favour of it all those years, the amazing thing is why have they not a hospitalization plan in Ontario where they have been in power for quite a few years. Saskatchewan instituted a hospitalization plan. A hospitalization plan was instituted in Alberta and in British Columbia. What about Ontario? Why have they not a hospitalization plan? If the Conservatives are serious in their support of health insurance, then I suggest they bear their weight of pressure on the premier of Ontario to get him immediately to implement at least a provincial hospitalization scheme in this province.

A question of immediate need is before us at the present time, and what is going to be done about it? We have a problem which the government, though it refuses to admit it, will not be able longer to evade. It appears that the government should now give some assurance to the people of Canada that they are willing first of all to accept the fact that unemployment does exist in Canada. It will be a big step forward if we can get them to admit that. Then, after having admitted we have a serious unemployment problem in Canada, they should do something about it, undertake some immediate program. First of all, I would suggest that the government offer to the provinces that they will undertake complete responsibility for all employable unemployed in Canada. They promised that prior to 1945. At the present time unemployment is a national problem, which can only be met on the national level. The government should reassure the people of Canada by coming out now and agreeing that their responsibility lies in taking full responsibility for all employable unemployed in Canada.

The federal government should be prepared immediately to undertake a public investment program in order not only to provide employment for the trades, but also to put into circulation purchasing power which of course would be diffused throughout the entire economy and would assist the businessmen and others than those directly employed in industry or in the construction industry. I think it is agreed that today we are living in an age when construction jobs are not carried on by scrapers and horses any more. There are very few pick and shovel construction jobs today. Construction in the country today involves not merely the payment of wages to those directly employed. There is also the purchase of machinery which provides employment for machine manufacturers and industry in various parts of Canada, and particularly in Ontario and Quebec where the industries are mainly located. The government could go a long way toward alleviating the unemployment problem if they were to undertake such a measure. I want to emphasize that this is a part of a public investment program and not a relief measure. There is great need for development of our resources in all parts of this country.

One of my colleagues mentioned also the South Saskatchewan dam. I can think of no better example of a type of project that should be commenced at the present time than the South Saskatchewan river dam. I mentioned a moment ago that in a public works project only a small percentage in some instances of the actual money involved goes into the area in which the construction project is taking place. In any great construction project there is a great leakage; that is, in the purchase of machinery, the capital goods that are required to carry out the project. A great deal of the money spent on that project will be spent in buying machinery, in buying supplies in all parts of Canada.

With respect to the South Saskatchewan river dam, there are those who feel that the benefits of that would accrue only to the people of Saskatchewan. Such an idea of course completely flouts economic facts. In order to build that dam it will be necessary to purchase a great deal of heavy machinery. Where would that machinery come from? It will come from the industrial areas of Ontario and Quebec. Certainly that is going to be of great assistance to the industrial workers in those parts of the country. There are going to be all sorts of raw materials that will come from various parts of the country. Admittedly some of these raw materials will be purchased in the United States and perhaps in other countries, but the bulk of these purchases will be made in Canada, and the amount of money spent on that dam will be spread throughout the country to the benefit of the entire dominion, not of one particular area of the country.

Apart from the South Saskatchewan dam, there are many other projects that could be carried on at the present time. Someone in the official opposition said something about highways. I think we realize that in the United States all the main highways have been built by the federal government. Today we in Canada have a situation where highways are of national importance, and yet the contribution the federal government has seen fit to make to the construction of highways is its share of the trans-Canada highway, which is very inadequate. What the federal government should do is to undertake to be responsible for building the main highways across Canada, the main international and interprovincial highways in this country, thus relieving the provinces of great financial burdens in building and maintaining highways, particularly in those parts of Canada that are sparsely settled.

Then of course there is the question of railway level crossings. That is a matter that should certainly receive the attention of the government. I know in my own city there is quite a number of extremely dangerous railway crossings and particularly along the main line of the railroad where there are double tracks.

These are some of the things which the government could be doing, but apparently they are prepared to sit back and do nothing and allow the situation to become progressively worse. My suggestion is that it is easier to deal with a problem now than a year hence or two years hence. What is needed now is a little bit of constructive planning, a little foresight which the government up to the present time has not shown. There are many others that could be suggested. Surely the government is in a position to know what the needs are in regard to public works projects across the country.

They could for example provide employment for a great many by the production of low rental housing units in various parts of Canada where the housing situation is most serious. There are many other worthwhile projects which could be undertaken by the government at this time if they were prepared to admit the seriousness of the unemployment problem. If they are not prepared to admit the problem exists, then it means that we in the opposition have to keep insisting that the government realizes the extent and the seriousness of the problem.

My closing suggestion to the government is once again that they offer some hope and assurance to the people of Canada that they are prepared to face up to the economic problems confronting the country at this time through a system of forward pricing, by some effort to provide parity prices for our farm commodities and by seeking through the means of public works projects to alleviate the immediate problem of unemployment where it exists in Canada.

The main thing is to agree now to assume responsibility for the employable unemployed in this country. No one province in this country is in a position to effectively tackle the problem on its own. Unemployment is a national problem. Indeed, one might argue that it is an international problem. Certainly it can be argued that it is an international problem in countries whose economies are as closely related as are those of the United States and Canada.

It is a national problem which must be met at the national level. I hope the government will not resort to its time-honoured strategy of passing the buck to the provinces and saying, "We will get together with the provinces and talk it over." They have talked

it over for a couple of years and in the meantime a great many Canadians are in want, without employment and unable to maintain a decent standard of living.

Once again I suggest that the federal government must take upon its own shoulders responsibility for the condition in which we find ourselves today. Before the last election they were running around the country saying, "You have never had it so good. What a beneficent government we have down at Ottawa." You have never had it so good. Try telling one of the 600,000 unemployed that he has never had it so good. Try telling the farmers of this country who have been losing their markets that they have never had it so good. I am sure you will come in for a very rude awakening if you do.

In closing, I simply want to impress upon the government the necessity for immediate attention to these most serious problems. The people of Canada will await with a great deal of anticipation the activities of the government in this respect.

Mr. F. D. Shaw (Red Deer): Mr. Speaker, frankly I was intrigued although amazed at certain statements made by the hon. member for Regina City (Mr. Ellis) during his address. He told us, by inference at least, that Abraham Lincoln was a socialist. It is rather surprising and amazing that it takes but one short speech to completely alter the facts of history.

I listened with a great deal of amusement while he was damning the Liberals and Conservatives and assuring the house and the country that they offered no hope and in the same breath asserting that they had stolen practically all that was good in the C.C.F. program. We are personally convinced that by virtue of that theft, if for no other reason, they offer little hope.

The speech of the hon. member reminded me of one that was delivered yesterday by the hon. member for Burnaby-Coquitlam (Mr. Regier), who took us into New Brunswick, then into Quebec and then back to British Columbia. Then in his spare time he commented on other things. I was reminded while listening to the hon. member's speech, and wanting to believe some of it, of last July when I was in Vancouver sitting in my car with the radio on. I had noted there was to be a program "Town Meeting in Canada" on the air, the subject to be discussed being co-existence, which of course embraced the general theme of whether it is possible for us to live in peace in the same world with the communists. During that program I heard the hon. member say that one of the Social Credit leaders in Ottawa had stated, I assume in this house, that he wanted war. Remembering that, I could not take him seriously yesterday, nor could I believe very much of what he said.

I hope in my approach to current issues at this time I may be realistic, objective and fair. At least that is my desire. An examination of the speech from the throne does indicate certain bright spots. There is no question about that, and I would be the first to admit it. Reference was made to the Disabled Persons Act having been proclaimed to go into effect on January 1 of this year. We welcomed that act last spring and were glad to see it proclaimed. We are pleased to note that all the provinces of Canada have agreed to enter into agreements with the federal government.

However, I am extremely disappointed in one respect. I have been compelled to conclude that when the Minister of National Health and Welfare (Mr. Martin) made so certain last spring that he would give only the minimum of information to the house, there was a reason for it. We questioned him —I did myself—with respect to the regulations which might be passed. Once again, I did not secure very much information. I find now that the regulations are so narrow and restrictive in character that were the government in my own province to drop its own act and operate only under the joint act 50 per cent of the people now receiving disability pensions in Alberta would be dropped completely from the rolls. That indicates how much more restrictive this new act is than the one which we have had in operation in Alberta for more than a year and a half. I regret that very much, because I had personal reasons to believe that in some respects our own provincial act was too restrictive in character.

The speech from the throne referred also to something with which we have dealt already, namely, certain amendments to the Unemployment Insurance Act. I am not going to talk about them, since we have already expressed our views.

One thing that does concern us is that the government has taken the position that unemployment is only seasonal and regional in character. Is it the intention of the government to broaden its public works program only in those areas where the condition is known to be extremely serious? I trust that that will not be their approach to this problem.

For years we have pressed, as have the Legion, for amendments to the War Veterans Allowance Act. We are pleased to note that this act is to be amended, that the rates are to be increased, and that the amount of

permissive income will also be increased. However, I think I should serve notice now that it is going to be extremely difficult for us to be satisfied with anything less than the recommendations submitted by the Canadian Legion, because there is every reason to believe that their recommendations are realistic and are designed to meet current conditions.

We are also interested in noting that there are to be amendments to the Blind Persons Act. We understand the object of the amendments will be to lower the age of eligibility and raise the allowable income ceiling. We are in favour of this contemplated action, though I would not suggest at the moment that we are going to commit ourselves with respect to all the aspects of the amendments which the government may at a later date bring down. However, we approve of them in general.

We note that a joint committee is to be set up for the purpose of studying the Municipal Grants Act. Personally I am quite dissatisfied with the act as it now stands. Altogether too many deserving communities have been left out in the cold, and we trust that the committee may see fit to recommend a broadening of the base of this act so that it may go far beyond its present scope. In fact, I think good arguments could be advanced in support of the contention that it should cut completely across the board and cover all federal government installations within municipalities. I might well be asked whether I believe in the same thing from a provincial point of view; personally I do.

Those are not all the bright spots in the speech from the throne, but they are the only ones to which I will refer for the moment. Yesterday the hon. member for Westmorland (Mr. Murphy) made a plea for an extension of loans under the Canadian Farm Loan Act. He asked for a broadening of the regulations so that the act might apply within the province of New Brunswick. I have had some experience with the application of that act throughout Canada generally, and I believe there are certain very serious weaknesses. One is that the government, or the board charged with the operation of the act, in making its assessment of a farmer's land and chattels, seems to work on the theory that some time hence there is going to be a serious depression and that values will therefore be at a low level. Therefore, in assessing a farmer's property today for the purpose of determining whether they should authorize a loan they apply this fantastically low level of values. I am not blaming the persons who administer the act, because they are governed by the terms of the act itself and its resulting regulations. But I have looked over certain applications and I am utterly amazed to see the low values being placed on land and chattels, the result being that hundreds if not thousands of Canadians are prevented from securing assistance under this act.

In fact, I have been compelled to come to the conclusion that the act was not designed to assist people who really require help, because in most of the cases I have examined I have come to the conclusion that those who should qualify could have got along very nicely without any assistance whatsoever. I mention that only in passing because, while I do not know anything about the New Brunswick situation, and I am not referring to that situation in particular, the hon. member's reference to this matter brought my own experiences to mind. I might add that the limited number of loans that have been made, and the small amount which has been made available through various loans, would indicate that there seems to be something seriously wrong with the operations of the act.

I wish to come back now to the question of unemployment. In the speech from the throne the government contended that it is seasonal and regional. As far as I am concerned I believe that that is the master understatement of the year. There is a certain amount of seasonal unemployment, it is true, and there is a certain amount of regional unemployment. There is some which one might designate as transitional unemployment, but there are strong indications that over and above this we are faced with a situation where altogether too many Canadians are unemployed and many of them see no hope in the foreseeable future.

The government has stated that there are approximately 300,000 registered unemployed in this country. But it has been pointed out more than once in this house that there are also probably an equal number who, for some reason or other, have never registered at all, and reliable statistics seem to bear that out. There are indications at the present time, and I shall elaborate upon this in a moment, that certain of our important industries have either collapsed or are in the process of so doing. I believe the coal mining industry is a pertinent example, and I will also refer to that later on.

In this regard I would refer to the very noticeable, marked decline in net farm income. I think it was my leader, the hon. member for Peace River (Mr. Low), who referred to this as the price cost squeeze. He was referring on the one hand to higher operation costs, and lower returns on the

other. This has caused a very uneasy feeling among the farmers of western Canada, and I am sure among farmers in other provinces as well. We also have a feeling of uneasiness resulting from the continuation of the unreasonably heavy burden of taxation which is certainly aggravating the situation.

The people of my constituency read with a good deal of interest the reported remarks of the Minister of Finance (Mr. Harris) with respect to this matter. I cannot quote his words exactly but he did indicate that he was experiencing some concern on this matter, especially with that aspect of it dealing with sales and excise taxes.

In my part of western Canada we faced a rather difficult period last year, and as far as agriculture is concerned it was possibly a bit more difficult than is normally the case. These difficulties, in major parts, resulted from matters over which we have no control. For example, we had extremely wet weather, unusually heavy hail, and frost which struck the crops down prior to harvesting. But even worse, the frost came before the crops had ripened. Fortunately, while the picture looked extremely bleak around early October, the weather later changed and we were able to acquire the feed which is such an extremely important commodity in our mixed farming areas. The losses which have resulted have once again brought our farmers into direct conflict, if I may use the word in that sense, with our Prairie Farm Assistance Act.

A year or two ago I took a full 40 minutes to point out what I considered to be the existing weaknesses in the Prairie Farm Assistance Act, particularly as it applies to the non-drought areas of western Canada. That act is just not realistic in any sense at all. It fails utterly to do the job which I think it should be designed to do in that area. As I said before, I cannot think of one single, solitary thing that has caused more bitter comment with respect to this government than has that same Prairie Farm Assistance Act. Before many more months go by I hope that the Minister of Agriculture (Mr. Gardiner) may see fit to refer this act to the committee on agriculture with one important idea in mind, namely that of making it apply with some sense and reason to non-drought areas. I know that act must be a headache to all the men who try to administer it. I offer no criticism whatsoever of those men. I know many of them. They are trying desperately to do a good job, but they are trying desperately to do the impossible; and how frustrating that attempt must become. I say again to the Minister of Agriculture: For goodness' sake refer that act to the committee on agriculture and try to straighten out certain of those things.

Speaking of unemployment and speaking of the collapse of industry, I am compelled to make reference to one rather tragic happening in my own constituency. Located about 120 miles west of Red Deer is a town called Nordegg; and located at Nordegg are the great Brazeau collieries, one of the most modern mines in western Canada. Following a disastrous fire about five years ago the above-ground installations were completely modernized and one of the finest briquetting plants was installed. It cannot be said by anyone that the mine has not operated efficiently either as a consequence of poor management or as a consequence of failure to modernize. It is modern and it has been managed well. In that community have lived more than 1,000 people. The coal produced in that area was a weather-resistant coal used for domestic heating, railway fuel and steam-raising in general. I do not know whether or not I have already mentioned this fact, but the capital value of the installation there is about $1,500,000.

This mine supplied fuel for the Canadian National Railways. Later it was reduced merely to providing station coal. In April of 1954, 200 men were laid off. Newspaper reports indicate that next Sunday the mine will close down, with another 150 miners becoming unemployed. As I say, you cannot blame the operators. Over the past year production there has been declining by 20,000 tons per month. Whether or not the mine will be opened again will naturally depend upon a number of things. With those miners laid off at Nordegg and with the closing of that mine, it looks as though a ghost town is going to develop. It is true that there is a certain amount of logging and lumbering in that area but it is not an industry of sufficient size to maintain that town. Not only is it a tragedy from the standpoint of miners and their dependents but personally I think it is a tragedy from the standpoint of the national welfare and safety. Within the last four years about 2,000 miners have lost their jobs out there as a consequence of mines closing.

Mr. Speaker, I approach this subject not with the idea of criticizing anybody but with the idea of trying to point out the necessity of speeding up our efforts to keep this industry alive. We know what have been the causes for the deterioration in that industry in Canada. There has been the loss of markets because of competitive fuels. There has been the replacement of railway locomotives by diesel units and conversion of coal-burning locomotives to oil burners. We know that oil and gas progressively have eliminated coal from our local and our industrial markets.

We also know that excessive transportation costs have made almost impossible the capture and the retention of eastern Canadian markets for Alberta coal. We know also that the heavy importation of United States coal into central Canada has had a disastrous effect. More United States coal is imported into central and eastern Canada than is produced in western Canada. Production in 1953 alone in our Canadian coal industry was 1¼ million tons less than it was during the previous year, and recent statistics indicate further substantial decreases. If we are satisfied to let our coal industry fall into decay, all well and good; we are doing the right thing. But if we as Canadians believe that the future may demand an adequate coal supply—and certainly that is what I believe—we should keep our miners where they can continue in the only work which they are used to. If it is our desire to do that, then certainly we cannot allow that industry to fall apart.

We know that we have the dominion coal board. We know of the objectives which they set up in 1947; and those were good objectives. They were going to maintain an adequate supply of coal for all of our national requirements. Of course, it may be said that we have sufficient for our national requirements. They were going to support a sound and healthy coal-producing industry in Canada. Of course we have not just accomplished that objective. One of their purposes was the development of a steady and adequate market for the output of Canadian mines. We have not been able to do that. There was to be provision for fair wages and reasonably full employment for Canadian miners. Of course when we have had 2,000 of them become permanently unemployed out there, I believe, as far as miners are concerned, within the last four years, certainly we have not been able to maintain reasonably full employment. Then of course the board had as another objective, I believe, the extension of our markets for Canadian coal with the resultant saving of foreign exchange. Of course, instead of our finding extended markets for our western Canadian coal, we are losing markets. I am not blaming the dominion coal board at all. I am just trying to point out for our own benefit that while in 1947 we had five good objectives, with the exception of one we have just missed our mark completely. Personally I feel that the Minister of Mines and Technical Surveys (Mr. Prudham) is concerned about this matter. He is an Albertan. This matter falls within his department. I know that his department, in co-operation with the Alberta government, has been doing certain things. The federal government has its subvention program. The Alberta government, for example, has its fund for the rehabilitation of these men, among other things. We understand that the two are co-operating from a scientific point of view in an effort to find new uses, and consequently new markets, for this product. I have read the minister's statement, and I read all the debate which took place last June. I know from the statement of the minister that he feels, so he has said, that with a population of approximately 22 million at some future date, this country is going to need every source of fuel—I believe he said even firewood.

Anyone who understands the coal mining industry must realize that you cannot close these mines for long periods of time without serious deterioration, and in some cases they may become completely valueless and useless. If these experienced miners are to be removed and re-established in other lines of activity, it is highly possible that they will never go back to mining. Certainly, there is not very much chance of their sons ever taking up mining. Therefore, if what the minister states is true, that some time hence we will undoubtedly require all this fuel, it is going to be a very bleak picture if our mines cannot be put into operation because of deterioration and if we have to start to train miners, which is a long and hard process.

Now, when the gold mining industry in Canada showed some signs of deterioration and when the members from those areas spoke of the ghost towns that would develop, there was no hesitation on the part of this parliament in granting subsidies of $80 million, I believe. The united mine workers out there I believe asked the federal government to consider this question. They asked also that the federal government consider the question of restricting coal imports from the United States. I understand from a press report that a commission is presumably studying these two aspects of the problem.

I should like to know what developments have taken place up to date. Are there likely to be subsidies? Is the government likely to restrict the importation of coal from the United States? I understand also that a conference was held here last fall. I believe the miners themselves were represented, the operators were represented, the provincial government and the Department of Mines and Technical Surveys. I understand this whole matter was gone into rather thoroughly, and I should like to know what has resulted from that conference. I should like to know what has been done as a consequence of that conference. Let me repeat, Mr. Speaker, that I am not trying to place the blame. I know

the provincial government has a responsibility in this field. I know that the federal government has a responsibility in this field. I am not trying to place the responsibility. I am trying to emphasize the urgency of preserving this industry and of preserving the way of life of so many of these miners and their dependents. As I say, they have been added to this unemployment roll.

We have had some question raised as to whose responsibility the employable unemployed are. If someone were to ask me whose responsibility the employable unemployed are, I would give my answer. I would not find it difficult to agree with the hon. member for Vancouver South (Mr. Philpott) who, in one of his columns which appeared in the Red Deer *Advocate* of December 1, 1954, had this to say:

> It seems to me that there is one point on which nobody in Canada should quibble. The federal government is primarily responsible for full employment or non-full employment.
>
> It is the federal authority, and only the federal authority, which has the necessary control over exports and imports, as well as over interprovincial trade. It is the federal authority alone which has the necessary power over taxes, money and credit.

Then he goes on:

> Nobody in any political party has challenged the above principle for at least 20 or 25 years past.

Then he adds this:

> It is a disgrace in this day and age that any decent citizen of Canada should be forced to choose between a soup kitchen and starvation.
>
> Vancouver and other great cities of Canada have every right to demand that the federal government should stand behind them when it is necessary to give financial assistance to unemployed not eligible for unemployment insurance.

Now, I hope that the hon. member for Vancouver South will be able to sell this to all of his colleagues on the other side of the house. I find no cause to disagree with him, although I would probably be a bit more realistic and say I do believe the provinces and municipalities bear some responsibility too. We should not be so concerned about trying to pin down responsibility as we should be about getting all to assume full responsibility and to bring a solution to a problem that is certainly most serious.

Now, Mr. Speaker, as one who is firmly convinced that all speeches should be cut to about 30 minutes, possibly I should set a fairly reasonable example.

(*Translation*):

Mr. Arthur Masse (Kamouraska): Mr. Speaker, at the beginning of each term, I usually speak thus to the students of Laval University: Whilst you are duty-bound by the university to attend my lectures, it is my duty to teach to the best of my ability, to be of service to you and the community at large.

Today, I find myself in the same position as far as my electors are concerned, because they have entrusted me with the task of making their feelings of loyalty known to the government of Canada. It is also my duty to bring their requests, their aspirations and their wishes to the attention of the government.

I must also congratulate the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne, because they have been a credit to the electoral districts they represent and I am happy to offer them my sincere congratulations. They have faithfully served their respective constituencies.

Mr. Speaker, in the exercise of my profession, I have made it a point to examine loyally and dispassionately all situations and resolved never to form an opinion before giving the matter full consideration. I have been well served by this practice in the exercise of my profession, and I am happy to say that I have endeavoured to follow the same tactics in the discharge of my political duties. I might have been late to embark upon a political career. Yet, I feel happy about it, because I was thus enabled to acquire an experience of facts and deeds of which I would have been otherwise deprived and of which I may now avail myself in numerous circumstances.

Mr. Speaker, I will not delay any longer than necessary the hon. members, because I intend, during my speech, to discuss agriculture in particular, which is, with lumbering, the main industry in the county of Kamouraska. Besides, when speaking about agriculture in lower Quebec, it is logical to associate it to the lumbering industry.

It is becoming, at the outset of a new year, to a good head of family or a good company accountant, to review the developments, good or bad, that occurred during the past year, in order to be able to alter one's stand, if need be. The government's achievements, during the year, have been relatively satisfactory. I well realize, however, that it is difficult for any government to satisfy each and every citizen of this country but I am confident that the government of Canada, during this past year, have acted in no

partisan fashion, that they have not attempted to serve one man, one province, one municipality or one party, but have tried to stabilize the economy of the nation as a whole.

Mr. Speaker, the year began auspiciously with the Prime Minister's trip around the world.

It is important that a country like Canada be able to communicate to such distant areas the feelings it nurses for those who cannot have the same ideas or the same mentality, but who are all filled with the same spirit of mutual co-operation, for the purpose of promoting their own interests.

I was somewhat surprised by the statements made on the other side of the house yesterday and today. If account is taken of the ten by-elections held since the last general elections, in which by-elections the Liberal party carried six seats, the Progressive Conservative party three, and the C.C.F. party one only, the statements made by some prophets are somewhat surprising and there is no doubt that the Liberal party still has the confidence of the public.

In the course of the same year, the disabled persons of Canada were fully satisfied with the attitude taken by the government of the country in its endeavours to help these less fortunate ones. Consequently, it is my opinion that the Canadian government served the country very well.

I had intended at the beginning of my remarks to speak mainly of agriculture, and I must confine myself to that subject since agriculture is the main industry in Kamouraska county.

There is no doubt that revenues were not as large last year as they had been during the preceding four years. But our Quebec farmers do not lose hope. They are not unduly optimistic but, on the other hand, they do not lean to pessimism, which no brave soul should feel.

Weather conditions were bad from early spring to the fall; farmers had a hard time seeding their fields and taking in their crop. In certain areas the crops were very good but they were not so good in other areas, and I am afraid that in some parts of my county seed grain will be less plentiful next season.

However, as lumbering is the essential complement of agriculture in my constituency, I was glad to note the good will shown by the right hon. the Minister of Agriculture (Mr. Gardiner) in connection with wooded lots. For many years, I have insisted on the establishment of wooded lots on illustration stations, particularly at the Ste. Anne de la Pocatière experimental station, for the benefit of the farmers visiting that district. I am glad today to congratulate and thank the hon. minister for this project is being implemented.

To realize how much our forests contribute to agriculture in the lower Quebec area, one need only read publication No. 890 of the federal Department of Agriculture. This pamphlet deals with wooded lots on Ontario farms and, at page 22, it is indicated that on the 162 farms which were thoroughly investigated, production reached a total value of $516 per farm.

That is indisputable proof that lumbering plays a capital role together with agriculture in regions such as ours, where forests cover about 75 per cent of the land, only 22 per cent being suitable for cultivation.

Those experiments have been conducted in the province of Ontario with the co-operation of the federal Department of Agriculture and of the Ontario government. I hope similar experiments will be undertaken in my province to show how necessary it is to complement farming through the use of a wooded lot in most regions.

On behalf of the farmers of my county and a number of co-operative societies, namely the U.C.C., I ask the Minister of Agriculture to maintain in operation the Agricultural Prices Support Act, especially with respect to butter. The average farm in our province covers from 80 to 100 "arpents" and earned for its owner, last year, from $1,400 to $1,500. However, after the farmer has paid his municipal taxes, amounting to around $100, provided for the maintenance of his buildings, valued at some $8,000 or $10,000, and for a family of five or six children, his income is practically all spent. I therefore believe it is in the government's interest to maintain the stand it has taken regarding the support of farm prices.

Mr. Speaker, I had intended to say a few words on the problem of unemployment, but I am rather pleased with the government's stand on the matter. In the past there was no unemployment among our Quebec farmers, but today modern ideas have somewhat changed the attitude or thinking of our young men.

I think it is time for all workers, whether they be on farms or elsewhere, to contribute to and enjoy unemployment insurance benefits in order that in circumstances which are entirely beyond their control they may be in a position to meet the situation.

I have a suggestion to make to the Minister of Citizenship and Immigration (Mr. Pickersgill). As it happens my remarks have been misinterpreted in this house, so much so that I am believed to be opposed to immigration, which is not the case. As regards my own constituency more particularly, I believe that the available space is rather restricted. Would it not be possible to restrict immigration during the winter months, that is from November to March, taking into account the rigours of our climate and the situation with which the new Canadian is faced on his arrival? I believe that that would help to make the future home of newcomers more pleasant.

(*Text*):

On motion of Mr. Masse the debate was adjourned.

THE ROYAL ASSENT

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

And being returned:

The Royal Assent

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

An act to amend the Unemployment Insurance Act.

BUSINESS OF THE HOUSE

Mr. Harris moved the adjournment of the house.

He said: Tomorrow we will take up the resolutions under government notices of motions, dealing with the resolution having to do with the appointment of a rules committee and the resolution having to do with the appointment of the Criminal Code committee. I understand that there will be some discussion on these but probably not a prolonged debate. We will then come back to this present debate.

Mr. Low: May I ask the house leader if it is the intention to sit tomorrow night?

Mr. Harris: It did not occur to anyone on this side as far as I know not to sit tomorrow night.

Mr. Fleming: May I ask if it is the intention to call the two resolutions in that order, the one dealing with the rules committee first?

Mr. Harris: The first motion is the one having to do with NATO which is going to stand. The second in order is the one having to do with the rules committee.

Motion agreed to and the house adjourned at 10.10 p.m.

HOUSE OF COMMONS

Friday, January 14, 1955

The house met at 2.30 p.m.

HOUSE OF COMMONS

APPOINTMENT OF COMMITTEE ON PROCEDURE

Right Hon. L. S. St. Laurent (Prime Minister) moved:

That a select committee to be designated be appointed to consider with Mr. Speaker the procedure of this house for the purpose of suggesting any changes that may be desirable to assure the more expeditious dispatch of public business, with power to send for persons and papers, and to report from time to time its findings and recommendations to the house.

He said: Mr. Speaker, hon. members will recall that there was a committee on procedure established during the last session of parliament which held meetings up to very near the end of the session, and which brought in a report recommending that a committee be set up again at this session, at an early date. The purpose of this motion is to ask the house to act in conformity with the recommendation contained in that report.

I think it is recognized by all members of the house that an effort should be made to bring about a more orderly manner of handling the business of the house, and that it should be possible to do that without in any way curbing unduly or limiting unduly the freedom of speech and discussion in matters concerning the country's business.

There have been various ways suggested. One of the minor ways was an improvement in the manner of handling resolutions respecting the introduction of bills with monetary applications; and I think we were all very pleased the other day when it was possible to deal with the formalities of fifteen resolutions in a matter of only two or three minutes, instead of fifteen times that amount of time which would have been required had those formalities been carried out in the usual fashion.

I do not think anyone would seek the elimination of the traditional formalities that have their place in the proper handling of the business of the house; but I think hon. members in all parts of the house would wish to have that done in a manner which would leave as much time as possible for the consideration of the less formal aspects of the business of the house.

I understand it is by general agreement that this motion is placed before Your Honour today and that, though there are varying views as to the advisability of some of the amendments to the rules that were considered last year, there is the general feeling that an attempt should be made to improve those rules and that the matter should be disposed of as expeditiously as the proper consideration of it will permit.

I do not think I can add anything more because the terms of the resolution in themselves appear to be terms that should commend themselves to the judgment of the house: "for the purpose of suggesting any changes that may be desirable to assure the more expeditious dispatch of public business."

I think that is the goal each and every one of us would have in mind—but only such changes as "may be desirable." I believe we would agree that it is not desirable to have rules that permit of obstruction, but neither is it desirable to have rules that interfere with the proper exercise of the responsibilities of each of us to discuss those matters that are properly before the house.

I would hope that the committee could be set up at an early date and that it would, as I am sure it will, envisage its responsibilities in the light of the dignity of parliament and the great price we all attach to free democratic processes in dealing with public affairs.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I have no doubt the present resolution will receive the unanimous support of the house. May I express my own pleasure at seeing the motion brought on early, because I think it is helpful that this committee should be set up at an early date.

The terms of reference are identical with those that have been approved by the house now on three previous occasions. Actually the committee is now in the course of being appointed for the fourth consecutive session. That is not to say that the committee has been dilatory in its work in the past; I do not think that can be fairly said. But the task is not an easy one, and the committee has, I think, taken a fairly comprehensive view of its responsibilities. With the proposal that effort be made to expedite the transaction of public business in this house, I am sure there will be agreement. Certainly,

those who sit in this part of the house will give every co-operation to any sound method for transacting the business of Canada in this place in a proper and expeditious manner, provided that it is done in keeping with the essential rights of members of this house, all of them, and with due regard for the dignity and decorum which ought to characterize the transaction of the business of this country.

May I say also that I am glad to see on the order paper, in response to suggestions that have come from us in this part of the house in the past, and notably from the Leader of the Opposition (Mr. Drew), a greater volume of government business than has appeared on the order paper at this stage in past sessions. I think that is an indication of desire on the part of the government to help all in this house to contribute on their part to expediting the business of the house.

Now, sir, there is one matter that does not require more than casual mention. When this committee was set up two years ago, in January, 1953, I raised the point that occasion might arise for widening somewhat the terms of reference. The Prime Minister at that time said that if any such occasion arose he would see to it that the matter was brought before the house and every assistance given to the committee in making sure its terms of reference were wide enough to do whatever it thought necessary in the way of review of the rules. Actually, in the discussion in the committee, it has not yet been found necessary to ask the house for any widening of terms; but I presume if such a situation should arise the Prime Minister would be good enough to indicate that co-operation will be given in bringing that matter before the house as soon as possible.

Sir, I do not know whether, when the committee makes its report—and I have no doubt it will make its final report at this session—it will be possible for the house to receive the report with the same unanimity that has characterized the proceedings of the house today; but certainly as to the setting up of this committee I am sure there will be general agreement in the house.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we too welcome the proposal that this committee on procedure be established at an early date, and we shall be glad to place our members on the committee and give the question of house business our very serious consideration. However, I feel that once again I must make the point which we feel very strongly, namely, that the rules of the house are the possession of the whole house. They are the rules of parliament across the years, not the rules of any one session of parliament, or of any parliament between two elections. I realize the problem that that creates, because we are in a democracy in which the majority governs. But I suggest that with respect to the rules of parliament particular care has to be taken that a government majority does not use that majority to make rules which unduly, if I may use the Prime Minister's words, interfere with the freedom of speech and the rights of all of us who are here.

I remind hon. members that it is a long time, 28 years, I believe, since the last general revision of the rules of this house was made. That means that the members of parliament in 1927 were making rules not just for themselves but for a good many parliaments that have followed. We shall have to take that approach in this committee, and I urge very strongly that it be recognized right from the start, not that unanimity must be required for any change, but that there be pretty general agreement amongst the representatives of both sides of the house, amongst representatives of all parties, before any very serious changes are made.

Just to make it crystal clear, Mr. Speaker, that I do not mean by that that I am opposed to any changes that interfere with any of our existing practices, I want to repeat what I have already said in public and in this session, that I think we can well afford, on a fair basis to everybody, without unduly interfering with the rights of free speech, to cut the 40-minute limit on speeches down to 30 minutes. There is objection to that from some quarters, I have no doubt, but I want to make it clear that in asking for general agreement to be the basis of any change, it is not simply a case of my objecting to any and all changes, because there is this change I have suggested to which I am prepared to agree, and there are others as well.

It seems to me the principle should be, is the change fair to all members of the house, or is it a change that interferes with the rights of any particular section of the house? We have to be particularly careful that the majority does not use its power to interfere with the rights of the minority. In that vein I mention in particular the long-established traditional rights that belong to all private members respecting the raising of grievances and the discussing of expenditures of public moneys. I want to say, Mr. Speaker, that when it comes to any changes affecting the right to raise grievances on going into supply, when it comes to limiting

discussion of expenditure of public funds, I think those on the committee from the other side know that they will find in us on this side a certain degree of obstinacy.

We feel that these traditional rights should be protected very carefully, and the responsibility for that protection rests just as much on those who constitute the majority in this house as it does on those of us who are in the minority. I say again I am glad to have this committee established, and I am glad it is being established early. We shall give the work of that committee our best and most serious attention in the hope that some changes in the rules that will help to expedite the business of the house can be made at this session. But let us remember that, through all of this, what we are dealing with is not the rules for one session or for one parliament. They are the rules of parliament as a whole across the years.

Mr. Victor Quelch (Acadia): I might say that we in this group are also glad that this motion to set up a committee on procedure has been brought on in the early days of the session. We believe it is possible to take steps to expedite the business and efficiency of the house without seriously impairing the privileges and the rights of the members, and we certainly believe that it would be of importance to cut the length of speeches from 40 minutes to 30 minutes. We believe that by so doing we would be improving the speeches because so often a lot of padding is put in a speech in order to fill out the 40 minutes.

We trust that it will be possible at this session for this committee to make greater progress than it has been able to do in the past.

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, as has been said, I do not wish unduly to delay the passing of this resolution, but I have the conviction that we shall have considerable discussion in this house if any report is brought back from the committee, and perhaps it would be better to have a little of that discussion before we go into committee so that we shall have some idea of where we stand. I have to say that I have noticed recently a feeling that the time of parliament in session should be cut down. That seems strange after the action we took last year to see that we were fairly well remunerated for the time we were here. I have seen throughout the press during the recess expressions of opinion in regard to parliament that did neither credit to the institution of parliament itself nor to the newspapers but was apt, in my opinion, to raise doubts in the minds of people as regards parliament's value. Now perhaps we could shorten the time we are here by hurrying up the procedure and by rushing things through. I believe that in the Soviet union they get away with one-day sessions. Possibly those who are impatient of the time the members hold up the house would not go that far, but that is a target that we could have in mind.

Let me draw to the attention of the house the purpose for which the rules as they are have been made, as expressed by one Hatsell who dealt with precedents on proceedings in the House of Commons quite a while ago in 1818. We find that citation 900, in Beauchesne's Parliamentary Rules and Forms, second edition, states:

> So far the maxim is certainly true and founded on good sense that as it is always in the power of the majority by their numbers to stop any improper measures proposed on the part of their opponents, the only weapon by which the minority can defend themselves from similar attempts from those in power are the forms and rules and proceedings which have been found necessary from time to time and are become the standing orders of the house, by a strict adherence to which the weaker party can alone be protected from those irregularities and abuses which these forms were intended to check, and which the wantonness of power is but too often apt to suggest to large and successful majorities.

I hope the large and successful majorities in this house will restrain themselves somewhat and in their own interests be sure that the minority has all the time and all the opportunity which is available to them to express themselves in this house.

I have served on most of the committees on procedure that have been set up since I came here, with the exception of one session when through illness I was not able to serve, and I hope I can be on the committee this year when it is set up. I am sure we can come to some understanding as to the recommendations to be made to this house to better streamline the procedure, provided of course that the government members are not too impatient with those of us who are anxious to maintain those privileges which we have.

I remember when serving on the committee last year that the leader of the house asked the opposition members, and perhaps he asked all of the members, at the conclusion of the committee's deliberations, if they had any further suggestions to make as to how the rules could be improved. I recall telling him that I was not going to make any suggestions as to how my own abilities, if that is the proper word to use, to criticize the government might be curtailed, but I told him that I was willing if we got something in exchange.

Joint Committee on Criminal Law

I heard over the radio last Sunday night a comment attributed to Sir John A. Macdonald concerning horse-trading. If I might paraphrase this I would say I think we will stand solidly on fundamentals but we will horse-trade on details.

Mr. J. R. Garland (Nipissing): As a relatively young man in terms of service as far as this house is concerned, I am a little reluctant to offer advice but I certainly welcome the proposed setting up of this committee because I believe very deeply in this matter—that the great strength of our system of parliament is due to the fact that it is made up of a great cross-section of all types of people in this country.

There are some of us who are not professional politicians and there are some of us who do not want to sit here all the time, nor should this become a place for those who have already made their mark in the business field and are looking for what little bit of honour may be attached to this place. I think that we can keep our system strong only if this house continues to attract to it a broad cross-section of people in this country.

I just wanted to say that at this time, and I am looking forward to some tangible results from this committee.

Motion agreed to.

CRIMINAL CODE

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

Hon. Stuart S. Garson (Minister of Justice) moved:

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

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

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

That the minutes of the proceedings and the evidence of the special committee appointed last session to inquire into and report upon the foregoing questions, together with all papers and records laid before it, be referred to the said committee;

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

That the committee have power to engage the services of counsel;

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

He said: All of the hon. members are aware that at the last sitting of parliament a reference was made to inquire into and report upon the questions whether the criminal law of Canada relating to (a) capital punishment, and (b) corporal punishment or (c) lotteries should be amended in any respect and, if so, in what manner and to what extent. Certainly those who served upon the committee will recall working very assiduously on that, in co-operation with representatives appointed by the other place; and that very considerable progress was made. On June 15 the committee made its final report in which it said this:

The committee finds that it will not be able to complete at the current session of this parliament its inquiries into the matters referred to it for report and, accordingly, recommends:

1. That a corresponding committee be established and appointed early in the next session of this parliament to resume the studies and continue the inquiries initiated by this committee.

The purpose of the present resolution is to do just that. Hon. members will see upon reading the terms of the resolution that they are all the same with the exception of the following, namely:

That the minutes of the proceedings and the evidence of the special committee appointed last session to inquire into and report upon the foregoing questions, together with all papers and records laid before it, be referred to the said committee.

The reason for the inclusion of this last-quoted clause is self-evident. I do not think there is anything more to be said and I am sure that members of the committee will be anxious to have it re-established as soon as possible in order that they may continue with their work.

Motion agreed to.

TRADE

ACTION WITH RESPECT TO EXPORT OF STRATEGIC GOODS

On the orders of the day:

Hon. W. Earl Rowe (Acting Leader of the Opposition): Mr. Speaker, I should like to ask a question of the Prime Minister (Mr. St. Laurent) based on a report in the Montreal *Gazette* this morning under the caption,

"U.K. plugs leaks in export of strategic goods to reds". Would the Prime Minister inform the house as to whether or not any further action is being contemplated by the government in this matter as it affects Canada?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I am sorry that I did not see this report in the Montreal *Gazette* to which the hon. gentleman refers. We have not found that there was any leakage of strategic goods from Canada to the reds. It may be there is information in the United Kingdom which would indicate that strategic goods from some sources may be leaking through to the reds, but I have no doubt that if that is so it will be one of the matters that will be brought to our attention at the London conference, and I can assure the hon. member and the house that we are most anxious there should be no such leakage. If there is any indication that further action by us would be useful it certainly will be considered and proper measures taken.

HIGHWAYS

POSSIBLE TRANSFER OF NORTHWEST HIGHWAY FROM DEPARTMENT OF NATIONAL DEFENCE

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, may I ask the Prime Minister whether any decision has been taken to transfer responsibility for the northwest highway from the Department of National Defence to some other department? If so, what is the decision and when would any such proposed transfer be made?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I am sorry my memory is not sufficiently reliable to allow me to make a positive answer to the hon. member's question without having looked at the record. I will take his question as notice and will have the records looked up.

CIVIL DEFENCE

INQUIRY AS TO SHARING OF COST IN ONTARIO

On the orders of the day:

Mr. F. A. Enfield (York-Scarborough): Mr. Speaker, I would like to address a question to the Minister of National Health and Welfare. In view of the statement by Mr. Fred Gardiner, chairman of the metropolitan Toronto council, appearing in the January 12 issue of the *Globe and Mail*, and I quote—

Mr. Speaker: Order. Will the hon. member put his question without quoting from a newspaper.

Mr. Enfield: The chairman of that council mentioned that arrangements would soon be made—

Some hon. Members: Question.

Mr. Enfield: In view of the reference to sharing the cost of civil defence made by the chairman of that council, can the minister say if any agreement has been entered into by the federal government and the province of Ontario providing for the sharing of the cost of civil defence on a basis similar to that contained in arrangements made with other provinces?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, the hon. gentleman gave me notice of his intention to ask this question. I can say that following the conferences I have had with the premier of Ontario and the head of the metropolitan governing body in Toronto, I am hopeful it will be possible for an announcement along these lines to be made about the middle of February.

FARM LOANS

REQUEST FOR LENIENCY IN MAKING COLLECTIONS

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I would like to direct a question to the Minister of Finance. Can the minister give an assurance that during the present financial emergency the utmost leniency will be exercised in the matter of collections from western farmers who have borrowed under the Farm Improvement Loans Act or the farm loan board?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I am not aware of there being any complaints about the manner in which these collections are made, but I can assure the hon. member that the officials who administer the acts will bear in mind the terms of the acts and the spirit parliament had in mind in passing them.

(*Translation*):

VETERANS AFFAIRS

INQUIRY INTO TRAGEDY AT STE. FOY HOSPITAL, QUEBEC CITY

Mr. J. W. Dufresne (Quebec West): Mr. Speaker, I have a question to put to the Minister of Veterans Affairs (Mr. Lapointe), of which I have already given him notice.

Is the minister aware of the fact that a tragedy has only very recently taken place in the veterans hospital, Laurier boulevard and Ste. Foy road, in Quebec city, where

one of the patients, a member of the armed forces, was found hanging by the neck? If the minister does know about this incident, will he say whether an inquiry has been instituted and what have been its findings?

Has the minister given instructions so that more adequate supervision may be exercised in order to avert repetition of such a tragedy?

Hon. Hugues Lapointe (Minister of Veterans Affairs): Mr. Speaker, I was informed of the tragic accident to which the hon. member refers. An inquiry has been held. It has revealed that there was nothing to indicate that such an accident was about to take place. As a matter of fact the provincial police have conducted an investigation into the matter and the coroner's verdict was that it was a case of "suicide while temporarily insane," death "not being attributable to negligence on anybody's part".

I can assure my hon. friend that all D.V.A. hospitals are instructed to take proper precautions at all times.

(Text):

BUTTER

SUPPORT PRICE—INQUIRY AS TO CONTINUATION

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, can the Minister of Agriculture say whether the present support price for butter will be continued as requested by the Quebec section of the farmers' union and other farm organizations?

Right Hon. J. G. Gardiner (Minister of Agriculture): The present support price for butter will be continued until May 1. It is not customary for the government to make decisions with regard to the future this far in advance.

IMMIGRATION

REPORTED STATEMENT AS TO FUTURE REDUCTION

On the orders of the day:

Mr. Carl O. Nickle (Calgary South): Mr. Speaker, I would like to direct a question to the Minister of Citizenship and Immigration based on a report carried yesterday in the Calgary *Albertan* quoting Mr. J. D. McFarlane of Ottawa, chief inspector of immigration, as stating that immigration will be reduced in future.

Some hon. Members: Question.

Mr. Nickle: The question is, sir, was Mr. McFarlane speaking on behalf of the government in making this statement?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I did not see the quotation to which reference has been made and I think I had better have a look at it before making any statement.

GOVERNMENT CONTRACTS

INCOME TAX APPEAL BOARD—REFERENCE TO ENTERTAINMENT OF GOVERNMENT OFFICIALS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, is the Prime Minister yet in a position to report to the house as to the results of his inquiry into the circumstances surrounding the income tax appeal board's rejection of a claim relating to a certain plush residence, and can he tell the house the name of the firm which made the application in question?

Right Hon. L. S. St. Laurent (Prime Minister): I am not yet in a position to say to what extent one can go in view of the fact that under the act an appellant from an income tax assessment can ask for a hearing in camera. That is a right it is not within the discretion of the board to refuse and the practice of the board, about which I have not yet sufficient legal advice, is that when such an application is made there is no disclosure made about the identity of the appellant.

Mr. Knowles: Then may I ask a supplementary question either of the Prime Minister or of the Minister of Finance (Mr. Harris)? In view of the public interest in this matter, is consideration being given to amending the necessary legislation so as to remove this cloak of secrecy from practices of this kind?

Mr. St. Laurent: Up to the present time there has been no positive advice given us to the effect that an amendment would be necessary. If it appears that nothing can be done without amendment, then of course consideration will be given to whether and in what form an amendment should be brought before the house.

PRAIRIE FARM ASSISTANCE

SUGGESTED AMENDMENT OF ACT TO COVER FLOODED ACREAGE

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. Will the government at this session of parliament give consideration to amending the Prairie Farm Assistance Act to provide that flooded acreage the farmer intended to seed be, for the purpose of the act, considered seeded acreage?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I should like to express my appreciation to the hon. member for having given me notice of his question. I would like to read to the house the section of the act which would have to be amended if the suggested action were undertaken:

(d) "cultivated land" means land that in the year of award was seeded to crop or in summer fallow and includes land seeded to grass in any year if the productivity thereof was maintained in the year of award;

With regard to the phrase in the question "intended to be seeded", I do not know of any way in which we can amend the act in order to make it possible to have a provision of that kind. If we were going to amend the act it would have to take under consideration the fact that what is being pressed upon us at this time is something entirely different from anything we had in mind when the act was passed. The act was passed to take care of drought and the terms of it are sufficiently loose that we have been able to apply it to flooded areas under certain circumstances.

There is some question as to the manner in which it would be amended if it were decided to do so and it is of course a matter which will be given consideration. But I would like to point out that that was not the intention of the act when placed on the statute book.

CHEESE

REPORTED RUMOURS OF FURTHER LARGE SHIPMENTS INTO CANADA

On the orders of the day:

Hon. W. Earl Rowe (Acting Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Agriculture (Mr. Gardiner) a question. I think he needs no notice of it. In view of the grave concern expressed by the dairymen throughout Canada with regard to rumours that other large shipments of cheese are to be expected in Canada, can the minister say whether he or the government expects increased shipments in the next month or so?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Perhaps I could answer that question, Mr. Speaker. We do not expect any further substantial shipments of cheese from any source for at least six months and probably at least nine months.

PUBLIC SERVICE

RESIGNATION OF DR. L. B. THOMSON AS DIRECTOR OF P.F.R.A.

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): The other day the hon. member for Prince Albert (Mr. Diefenbaker) asked me a question about the resignation of Dr. L. B. Thomson. It was a question that had been fairly carefully framed and I asked for time to see it in *Hansard* before attempting to answer it. I am obliged to the hon. gentleman for his patience in waiting until my colleague the Minister of Agriculture (Mr. Gardiner) was in his seat to make a further answer. I suggested to him that there might be some supplementary question that I would not be in a position to answer from my own memory.

In elaborating his question the hon. member referred to "tentative resignations". My information is that there was nothing tentative about Dr. Thomson's resignation. It was a resignation submitted to the responsible minister for such action as the governor in council might see fit to take. There does not appear to be any legal requirement for such a resignation. The resignation was evidently submitted as a matter of propriety.

No action with respect to the resignation was taken before the date of the "uncertain political event" to which the hon. member referred; and subsequent to that event the minister responsible recommended that, as no other person was available for appointment to the post of director of P.F.R.A. with qualifications comparable with Dr. Thomson's—

Some hon. Members: Oh, oh.

Mr. Knowles: Did he not recommend his son?

Mr. St. Laurent: —and as Dr. Thomson was not embarking on a political career, his resignation should not be accepted.

Mr. Diefenbaker: He was disembarking at that time.

Mr. Rowe: Very convenient.

CANADIAN NATIONAL RAILWAYS

SALE OF HOTELS—PROTECTION OF RIGHTS OF EMPLOYEES

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, in the absence of the Minister of Transport (Mr. Marler) and his parliamentary assistant, perhaps I might be permitted to answer on behalf of

the minister the question asked yesterday by the hon. member for Winnipeg North (Mr. Stewart) which reads as follows:

Can the minister give the house any information about the sale of Canadian National hotels, with particular reference to the safeguarding of the rights of the employees concerned?

The management of the Canadian National Railways advise that they have accepted an offer from a Canadian syndicate headed by Mr. Walter F. Thorn, of Moose Jaw, Saskatchewan, to purchase the Prince Arthur hotel, Port Arthur; the Prince Edward hotel, Brandon; and two summer resorts, Minaki lodge and Pictou lodge.

Some months ago an unsolicited offer was received by the railway, and subsequently the management published a series of advertisements inviting interested parties, particularly local community interests, to submit other offers.

Only one all-inclusive offer was made, which was from the individual originally interested.

Before the properties are transferred as going concerns, which will be March 1, officials of the Canadian National Railways will visit Port Arthur and Brandon to interview the staffs of the hotels.

The two resort hotels are, of course, serviced almost entirely by temporary employees.

The management advise it is the policy of the new owners to maintain the hotels' traditional high standard of service and efficiency. The syndicate have stated that in line with this policy a program of capital expenditures has been planned for all four hotels to begin early in 1955.

With regard to the second part of the hon. member's question, the management advise that those employees eligible to exercise their seniority rights in accordance with the wage agreements will be able to transfer to other Canadian National hotels if they wish to do so.

I might add that the management are making a press announcement today substantially along the above lines.

Mr. Stewart (Winnipeg North): I should like to ask a supplementary question. Apparently some of the employees are to be permitted to transfer to other hotels. Is employment available for them in these other hotels?

Mr. Howe (Port Arthur): I am simply conveying a message from my colleague the Minister of Transport. I shall be glad to refer my hon. friend's question to the minister.

Mr. Knowles: May I ask a supplementary question? Was the sale of these publicly-owned hotels to private interests approved by the government?

[Mr. Howe (Port Arthur).]

Mr. Howe (Port Arthur): As I say, I should not be answering supplementary questions. I may say quite frankly that I do not know too much about the matter. I have no recollection of approval by the government. As far as I know it is within the competence of the management of the railway to undertake a transaction of this kind.

Mr. Knowles: Could they sell the whole railway without consulting the government?

Mr. Howe (Port Arthur): I rather think so, if they got a good price for it.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, January 13, consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Rowe, and the amendment to the amendment of Mr. Coldwell.

(Translation):

Mr. Arthur Masse (Kamouraska): Mr. Speaker, yesterday when dealing with agricultural matters in my constituency, I said it was urgent that the government maintain the support of farm prices, especially as far as butter is concerned, as it is one of the main sources of income for the majority of our Quebec farmers.

I also stated that because lumbering and farming are the two sources of adequate income, it is urgent and necessary that they receive the same attention from our governments.

I also mentioned that 75 per cent of my constituency is made up of wooded lots, three-quarters of which are but some 50 years old and that during the past 10 years privately-owned timber limits have been worked beyond their possibilities.

I would like to say something to the hon. member for Burnaby-Coquitlam (Mr. Regier) about his appreciation of the province of Quebec, my province. I listened closely to some of the things he had to say, and I read the whole of his unbecoming statement on the residents of my province. I believe I am warranted in saying that I know that province from east to west and from north to south, having travelled through it on several occasions in the course of my professional duties. When the hon. member asserts that it is ripe for communism, it is a pleasure for me to take it up and say, as an answer, that as long as no socialist party succeeds in taking root in Quebec, communism is not to be feared. I am also under the impression

that the information made available to him came from certain groups of unsuccessful socialists who carry no weight with the authorities of my province.

Moreover, with respect to his statement in which he mentioned his meeting with two Catholic priests, I would advise him, if opportunity offers again, to go to the ecclesiastical authorities and ask them what they think of the people under their jurisdiction.

Mr. Dufresne: He gave no names though.

Mr. Masse: The province of Quebec, like every other province, for that matter, has contributed to the development and expansion of this nation of ours. When one is aware of the spirit of tradition in the parishes of Quebec province, where the land has been cleared by families established there for three hundred years and who have been there ever since, settled on the property of their ancestors, it is not difficult to understand the feelings of my fellow citizens. When we really understand how these people are attached to their family and their parish and how good their relations are with the established authority, we need have no fear of communism there.

I am by no means happy to have to make remarks such as these which may seem to be a reflection upon another hon. member, but I feel it is my duty to protest and to defend the honour of my constituents.

I am not particularly surprised by some remarks coming from members on the opposite side, who would have us believe that everything is wrong with the administration of this country. Those are the same complaints that we hear every year. I want these members to know that I am a Liberal by principle, that I believe the Liberal party has done more than any other for the development of Canada in the past fifty years. It was the Liberal party, headed by Sir Wilfrid Laurier, which contributed most to the expansion of Canada, through the establishment of the transcontinental railway and through its efforts to unite provinces having different mental habits and speaking different languages. It was another Liberal leader, the Righ Hon. Mackenzie King, who for the first time concerned himself with the welfare of big families by the adoption of family allowances and of the first legislation to better the condition of labour. And, in these days, it is not a mere result of circumstances if our Canadian economy is undergoing such extensive development. It is due to the foresight of the present Prime Minister. I am convinced that the Minister of Trade and Commerce (Mr. Howe) is entitled to his share of credit for the rapid expansion of our natural resources in general. It is because this party's membership includes men who, looking to the future, have succeeded in convincing the most brilliant graduates of our universities to contribute to the development of Canada.

With a Liberal government such as we have today, the youth of my province and of the whole of my country can look forward to the future with confidence, provided they properly fertilize the furrows so finely traced for them.

(Text):

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I am one of those who believe that a manner of saving the time of the house would be to discontinue the repetition of the congratulations that are invariably extended to the mover and seconder of the address in reply to the speech from the throne. I think those congratulations may be taken for granted after they have been extended by the leaders of the respective parties.

I am going to deal with a number of matters this afternoon that I believe are of interest to the people of Canada as a whole. However, before doing so, may I say this is the first opportunity I have had to deal with a situation that I have brought before parliament on previous occasions, namely, the pollution of the North Saskatchewan river and the need of immediate action being taken to meet the situation that again prevails on that river this year. Within the last few days pollution has again attacked the water supply of the cities of Prince Albert and North Battleford. The Prime Minister (Mr. St. Laurent) and the Minister of Justice (Mr. Garson) have been communicated with and, without going into detail on this occasion, I believe that the time has come, and is long overdue, when action should be taken with regard to the question of interprovincial rivers to the end that pollution of these rivers by industry or by any body or individual whatsoever shall not be permitted.

Last session I endeavoured on a number of occasions to secure an amendment to the Criminal Code making it an offence punishable with serious penalties to allow pollution to take place at any place where the water supply of any town or city is interfered with. I again repeat that suggestion. Indeed, I understand that the mayor of Prince Albert, Mr. David Stuart, has appealed within the last two or three days on behalf of the city council of the city of Prince Albert for assistance and has asked for effective action to permit of the control of interprovincial streams, particularly such streams as are used as a source of a domestic water supply.

The situation is a serious one for those cities. The council of Prince Albert at a meeting held a day or so ago placed the responsibility upon the federal government, and I believe that one of the major ways in which that responsibility can be discharged is by placing a section in the Criminal Code to cover the offence. I would like to see set up an interprovincial board on water pollution, a board similar to the board of transport commissioners, which would have power to recommend what is necessary to preserve interprovincial waters for the Canadian people, rather than permit them to be detrimentally affected by the wrongful action of individuals or corporations in another province.

The speech from the throne is an interesting document. The government is a changed one. I doubt whether in your experience in this house, Mr. Speaker, you have ever seen a more subdued government, as they face up to conditions that prevail in this country. The Prime Minister spoke with urbanity and a brilliant lack of promises of action regarding these problems. Mr. King said on occasion that speeches from the throne were to conceal rather than to reveal. On that basis this is indeed a masterpiece.

I must mention another question while the Minister of Agriculture (Mr. Gardiner) is in the house. A few minutes ago the long expected answer to the attempted resignation by Mr. Thomson was given. The Prime Minister (Mr. St. Laurent) says in effect that the resignation was not to be effective until November 30, or in other words until after the Liberal convention in the province of Saskatchewan had taken place and when it was over it was found necessary to keep him in the public service, because there was no one else who could fill the position of director of P.F.R.A. Mr. Speaker, can you imagine what a catastrophe would have occurred had he been chosen as Liberal leader in the province of Saskatchewan!

Playing ball with a position in any department of government in that manner is not conducive to keeping organizations headed by such a person, however eminent he may be, from being touched by the suggestion of political partisanship. I believe everyone in the public service—and I have taken this stand on previous occasions—may remove himself from the public service if he desires to take public office.

But does that justify a resignation that simply is postponed until the outcome of an uncertain event? I think one of the reasons for the success of the convention—and it was a successful convention, based upon numbers present—was the fact that there was free discussion. People tell me that the reason for the success of the convention measured by numbers present was the fact that Simmie and "Jimmie" and "Gimmie" Thomson were engaged in controversy before the convention: "Give me the leadership or give me my job back."

What did Mr. Simmie say? Are there politics in P.F.R.A.? Many persons in the organization are doing their best, and resent what has taken place in this case. What did Mr. Simmie say regarding P.F.R.A. and, in general, the attempt on the part of Mr. Thomson to play ball with a position of responsibility in the service of the crown? He said this:

> It seems I did not make myself clear. I believe that Mr. Gardiner is in control of a political machine, and that he is using or causing P.F.R.A. and P.F.A.A. to be used for political purposes, and that constitutes unwarranted interference with the leadership race.

And on another occasion, setting out his views of the situation, he said this:

> I am saying there is something wrong in Saskatchewan. I say it with all my heart, that Mr. Gardiner does not know what is going on. The P.F.R.A. and the P.F.A.A. are being used as a political arm for somebody. I am saying that if Mr. Gardiner knew it he would not allow it.

Mr. Speaker, this type of thing is detrimental to the preservation of a non-political civil service. It is the kind of thing which endangers the inviolability of the civil service. There is no justification for a government's receiving a resignation which is dependent for its determination upon a contingent result, and then restoring that person to his position in the civil service after he has participated in a political manner and for political purposes during the interval before his resignation is considered.

The speech from the throne reveals but little. The Prime Minister is about to leave for Great Britain, there to represent Canada. While in England he is to receive the honour of the freedom of the city of London. What is he going to do when he is over there? What stand does he intend to take before that conference of commonwealth prime ministers? How will he speak for Canada? That we do not know. Of that we have no knowledge. We do know one thing, that if anybody suggests to him that he or his government has done anything to separate the links between Canada and the commonwealth, he will be able to answer.

You will remember that in 1949 appeals to the privy council were abolished, except for actions then in the course of being proceeded with in the courts. Do you remember the Minister of Justice (Mr. Garson) as he clothed his words in lachrymose tones describing the

appeal to the privy council as this "badge of colonialism", and contending that it "was unworthy of the sacrifices and the efforts of our fellow Canadians, and undeserving of the bounty which Providence has bestowed upon our country" to have appeals to the privy council. In other words, to appeal from the Supreme Court of Canada was to undermine the sacred prestige of that body.

In the last few weeks this government, dissatisfied with the decision of the Supreme Court of Canada on a tax case, is taking one of the last of the appeals to the privy council. The Prime Minister when he goes to the United Kingdom will be able to say that there is one link the government is going to maintain to the last—and that is the right to use the facilities of appeal in any case of a decision in our own court, with all its prestige, with all its power, and all its ability, with which the government disagrees.

Mr. Speaker, what manner of consistency is this?

In the last ten days, three of the senior ministers went to Washington, namely, the Minister of Trade and Commerce (Mr. Howe), the Secretary of State for External Affairs (Mr. Pearson) and the Minister of Finance (Mr. Harris), to do what they should have been doing for the last several years, protesting against the gutting of GATT by the United States, the policy of the United States in recent years in interfering with our right to export farm products into that country. That right should not have been interfered with. Are we not all together endeavouring to achieve freedom? Does the United States not require our great mineral resources for the preservation of the legions of freedom? What happened on that trip? We do not know, Mr. Speaker. Their trip was just as revealing as the speech from the throne. But there is one thing that annoyed Canadians when they read of it in the press and that was that when those ministers arrived there was nobody from the United States state department at the airport to welcome them. It came over the radio that they had been snubbed. Canadians resented that. The next day it was cleared up by a Canadian spokesman in the state department who said: "Not snubbed, just forgotten". Placing quotas and embargoes should not be expected at any time, much less at this time, having regard to the international problems which we face together.

I am not going to traverse ground that has already been covered. I am going to deal first with the C.C.F. subamendment. This is the first time that the C.C.F. has come out from under the barn and revealed that it intends to have planners to plan for Canada the way they planned for Saskatchewan. I can tell you this, as far as Saskatchewan is concerned—

Mr. Stewart (Winnipeg North): No Tory party.

Mr. Diefenbaker: The planners have been bunglers in practically everything they have undertaken in connection with industrial development. I believe in private enterprise. The Prime Minister (Mr. St. Laurent) said the other day that he believed in it. I was a little surprised at that because after all the Minister of Citizenship and Immigration (Mr. Pickersgill), who in some ways has become political mentor to the senior members of the government, made a speech only recently, and it is reported on November 6, when he said:

> The phrase "private enterprise" was a "Tory trademark" and Liberals should never use it.

I would like to hear what the Minister of Trade and Commerce (Mr. Howe) will say to the political philosopher when he reads that ejaculation. Then he goes on to say:

> The trademark of the party I belong to is "human welfare", and without working for this we do not deserve the power of office.

Having regard to some of the legislation setting up these national government crown corporations or state monopolies, one may wonder whether the Minister of Citizenship and Immigration does not in truth represent the viewpoint of the government. Mr. Speaker, over the years the C.C.F. has been producing a rolled-up subamendment with everything in it—socialism hidden in one of the subsections—and when you voted against it they said you were voting against something in that subamendment that you should have been in favour of. That is all over now.

In the subamendment hon. members are asked to vote for the adoption of socialism, to vote for the planners. The theories of the planners of 1944 in the province of Saskatchewan have been dissipated in the light of experience. They promised social security without anybody paying for it. They promised to set up corporations because business means profit. They went into industry after industry. The wreckage of their abortive venture is strewn over Saskatchewan, as examples: a shoe factory, a tannery, a woollen mill. These things blossomed, Mr. Speaker, and then withered, and the leading planners, too.

They were costly ventures. A box factory in Prince Albert is still operating. Men have been put out of work, laid off in recent months and advised that if they raise any objection the factory will be closed. There is a labour act in effect in Saskatchewan that

demands arbitration. The government has refused arbitration to employees of government corporations. The plans of the planners have been dissipated in the solid school of experience.

Mr. Nicholson: How many Tories have you elected in Saskatchewan since 1933?

Mr. Diefenbaker: My hon. friend interrupts, but his interruption has no reference to what I am dealing with. Will he say that the myth which is essential to the socialist philosophy, the superiority of government over private enterprise, has been proven or established in Saskatchewan? Venture capital has been kept out. The planners used to say that the state would take over the natural resources. They planned, and when Saskatchewan found itself at the end of the western parade in development the premier of the province laid out the red carpet for the great capitalists of New York.

They are always contending that they indeed are the custodians of the privileges of labour. What have they done in Saskatchewan? Some of the employees of the crown corporations in Saskatchewan asked for wage increases and were refused. Mr. Douglas said that "under present conditions no group of the community is entitled to a larger share of a smaller cake". Where is the philosophy of 1944—production for use and not for profit? We have got neither. The premier goes on to say, "When crop conditions return to normal we shall endeavour to see that those employed in government agencies get any increases which economic conditions permit." Yes, in the light of experience has come profound wisdom to the planners of Saskatchewan.

They talk about raising wages, but adopt a wage freeze in the province of Saskatchewan. I could go on. I think I have said enough, Mr. Speaker, so that you will realize that I intend to vote against the subamendment.

Having dealt with the subamendment I come now to the national situation. What are conditions today? I know that my friends to the left have been predicting depressions and recessions since 1940. As a Canadian I view with great alarm some of the economic conditions with which we in this country find ourselves faced today, but I do not believe in gloating over them. Since as far back as 1950 the hon. member for Dufferin-Simcoe (Mr. Rowe), with his experience and knowledge of public affairs, agriculture and business, and the Leader of the Opposition (Mr. Drew) as well, have been pointing out the danger signals. This government did not see them. They did not see the clouds over Washington. These three wise men did not see these things until the other day.

We have been pointing out the danger to our trade for the last seven or eight years. We expressed it when we said we were losing trade in Canada, and that we were losing the British markets. The answer was that we had not lost it, it was still over there. We do not have it. If you know where a thing is you have not lost it.

In 1954 we had the largest unfavourable balance of trade in Canada's history. This is a serious condition. What is being done to meet it? There was a silent, secret pilgrimage to Washington. Where are the policies in the speech from the throne which will meet this situation?

As to agriculture, the farmers are caught between rising costs and falling farm prices. The United States are closing out our barley and oats under quotas, and are threatening to hit our seed growers, and they are now threatening to close out red fescue seed, which is so necessary in parts of western Canada to the agricultural economy. Clover has been closed out, and dairy products. The cost of living is so high today that it makes wheat which is worth $1.40 a bushel at Fort William worth only 53·23 cents a bushel on the farms of western Canada.

Retail sales are going down. In the first ten months of 1954 retail sales were $200 million less. The drop of 14·2 per cent in Saskatchewan sales is caused in part by the serious crop failure there. In Alberta there has been a drop of 7·6 per cent; in Manitoba 4·2 per cent; in Ontario ·5 per cent; in Quebec ·4 per cent; in British Columbia ·4 per cent. The only part of Canada in which retail sales have increased is the maritimes, where there has been an increase of ·2 per cent.

What are we doing to meet the situation? What is the reason for it? We have said that over the years Canadians were being taxed out of the markets of the world and taxed out of their jobs. I know they used to say you could make jobs without profits. We have learned differently in Saskatchewan with the disappearance of the mirage of 1944.

What about hidden taxes? The average automobile has a hidden tax of $400. This government in its wisdom has decreed a high cost structure in the last few years. It has isolated our trade. It has started the march of unemployment. I believe that Canada's industry must be revitalized by giving tax relief at once. The government must act and act now.

It is interesting to read the mental peregrinations taken by some of the ministers of the crown with reference to this subject. In September the Prime Minister (Mr. St. Laurent) said "I can tell you this; taxes won't go up". Then on September 4, 1954, the Minister of Finance (Mr. Harris) said, "I don't think they will go down". As an indication that Saul's change of mind was an amateur performance the Minister of Finance stated on November 15, 1954:

I confess myself concerned about tax rates under which the government takes away half or more of the rewards of hard work which leads to promotion.

I confess myself concerned. Where has he been in recent years? Was he in the department of immigration looking after the shocking practices that were referred to by Mr. McDonald, who was the candidate against the Leader of the Opposition (Mr. Drew) in the last federal election? He went on to say this:

There is so much to be gained if we can preserve initiative and enterprise.

He had better talk to the minister of immigration, his successor.

It would be most unfortunate if prospects in this land of opportunity were dimmed by unwise government demands on the fruits of success in business and professional life—indeed in any gainful employment.

That is what we have been saying for long years during which we have had unnecessary taxation. These statements raised hopes. They hinted at tax cuts. They went further than a hint; the people were built up to expectations. Then he went on to say:

From what I have said up to now of my first impressions you might be inclined to infer that I think it is rather a bad show. This is not correct. True, it is awfully large, rates are pretty high, and it is extremely complicated, but withal it appears to me to be a very sensible, well-balanced and flexible tax system.

You just pay your money and you take your choice.

I wish now to speak about the effects of those loose statements. They have had an intense effect on the buying of the Canadian people. In relation to those commodities on which there are excise or other taxes they are postponing purchases. They have done this ever since November. They are waiting. These statements have created uncertainty and instability in a chaotic retail market at a time when retail purchases are falling anyway.

How can it be removed? As I see it, it should be removed at the earliest possible date, by having the budget brought down much earlier than usual. Delay means continued uncertainty such as has prevailed to date, which in turn spells economic instability. The sentiments were laudable, but the time at which the statements were made was unfortunate. The result has been serious to the Canadian economy. We hope that the government this session, realizing what the Minister of Finance has at last realized, that high taxation is sapping the power and initiative of the Canadian people, will even at this time do something.

What about the farmers? The agricultural situation in Saskatchewan today is worse than in any other province because of crop failure. The Canadian farmer is caught in a vise-like squeeze between rising prices of what he must buy and falling returns for what he has to sell. In the year 1952-53 our farm prices according to FAO fell by 23 per cent, and retail prices by only 8 per cent. The fall in farm prices has not been transferred to the consumer. Too much of the consumer's dollar finds its way into places other than the farmer's pocket. In the United States in 1951 out of every dollar the farmer received 51 cents. In 1953 he received only 45 cents. My computation makes the Canadian figures even lower than that. Making all allowances for processing, packaging, and things of that sort which are necessary in our modern economy, I come to the conclusion that there is still too great a difference between the price the farmer receives for his commodities and the price paid by the consumer.

What can be done about this? I believe the time has come and indeed is long overdue to investigate this spread, to the end that if there is wrongdoing it will be revealed and punished and if there is not the people of Canada will know the situation.

In the United States the farmer receives 17 per cent of the retail price of tomatoes; 35 per cent of the retail price of potatoes, and 15 per cent of the price of bread. He receives 66 per cent of the price of beef and butter, and 74 per cent of the price of eggs. These percentages are generally duplicated in our country.

The United States has been interfering with our oats and barley market in the U.S.A. I believe the strongest protest should be made to the United States, but not the kind of protest made under the table. I recall one occasion about two years ago when I asked the Minister of Trade and Commerce (Mr. Howe) what was being done about it and he said in effect: "We wrote them two letters." I asked, "What was the reply?" He said, in effect: "Why, there was nothing in the letters that demanded a reply."

The United States must realize—and I recognize the tremendous contribution that

country is making to the preservation of freedom throughout the world—that it is absolutely necessary that Canada preserve its agricultural productive machine in its present efficiency, and that that can only be attained provided we can export our agricultural products to their country.

Parliament should have an opportunity of making its views clear to the United States. Government ministers trailing to Washington is not enough. They went in silence; they were heard in silence; and they returned in silence. And while this goes on our farm markets are disappearing and our basic industry is fighting a challenge to its very existence.

Now, Mr. Speaker, I am going to make one or two suggestions with regard to agriculture and relative to matters that have been brought before parliament on previous occasions. First, I would emphasize that at no time will the people of western Canada allow interference with the Crowsnest rates. Let that be quite clear. What did the government do in this regard? They appointed Chief Justice Sloan, an old friend of theirs and former attorney general of the province of British Columbia. He brought forth the suggestion that these rates were out of date. But no one asked him to do that, unless he was asked in the same secret manner in which our ministers approach the authorities in Washington. I would tell the government that any interference in this connection will be resisted by the western provinces with all the power they command. That agreement was made as a bond; that bond must be maintained.

Our agricultural situation is serious. Our farmers are in a difficult position. I believe the government must bring about a system of cash advances based on a system of wheat storage on the farm. In this regard there is no danger of loss. You will have observed, Mr. Speaker, that in recent years there has been no thefts of wheat in western Canada. Wheat was stolen at one time but now you cannot get a quota book on stolen wheat and therefore that problem has vanished.

Additionally, I believe increased use must be made of the Agricultural Prices Support Act so as to provide adequate support for those commodities to which the act applies. There are support prices on certain commodities but whom do they preserve and protect? They have a peculiar capacity for protecting the packer. In this regard I would again emphasize the suggestion I made a moment ago that a royal commission should be set up to investigate the price spread between what the farmer receives and the consumer pays.

The next question is: What is to be done about markets? We have embassies all over the world. The United States is selling many of its farm products through the medium of agriculture market officials attached to their embassies. Since we have officials and commissioners stationed all over the world, let us now use them, if we have not already done so, so that it will be their responsibility to carry out the very same tasks United States officials assume and thereby secure a greater share of the markets of the world.

Next, I would call for the establishment of customs facilities at Churchill during that period of the year when the harbour is open so as to encourage the use of the Hudson Bay route.

Finally, I must again urge the government to commence the construction of the South Saskatchewan dam and irrigation project. We were promised it—I think the word was "immediately"—in 1945. The definition of the word "immediately" in so far as the Saskatchewan dam project is concerned closely resembles our understanding of the meaning of eternity. We have waited a long time. We now find that the Minister of Agriculture (Mr. Gardiner) has been out in western Canada with a draft agreement that has not been accepted by the government. A P.F.R.A. drafted agreement has been shown to the government of Saskatchewan. The Prime Minister says it has no final authority. It is merely the expression of the officials. As a fellow member of the bar, Mr. Speaker, can you imagine a responsible person carrying an agreement around on behalf of somebody else whose authority he has not obtained and the terms of which have not been accepted by the principal? That is exactly the situation here.

Mr. Deputy Speaker: Order. As a fellow member of the bar, the hon. member will realize that it is now my duty to advise him that his time has expired.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, for 40 minutes we have been listening to an address by the hon. member for Prince Albert (Mr. Diefenbaker). In that address he has dealt with a number of different subjects. He opened up with the question of the activities of the government, and of myself as the minister responsible, in relation to Mr. Thomson. I also shall open on the same subject.

Before doing so, however, I want to join with the hon. member for Prince Albert in

saying that it has not been my custom, in the many years that I have been here, to spend much time dealing with congratulations to those who have gone before but on each occasion I have taken the opportunity to say to new members who have come into the house and who have addressed the house that I greatly appreciated their remarks and the manner in which they addressed the house. I only wish to say at this time that in the approximately 25 sessions that I have been here I have not heard two new members perform to better advantage than did the two we heard this year. Having said that, I should like to comment upon Mr. Thomson.

The hon. member for Prince Albert suggested that it had been said that there was no other person who could be secured to fill the position. I have not before me the exact words of the statement but I listened to it at the same time as the hon. member was listening to it and I think it has been suggested that there is no person available who could fill the position to better advantage than Mr. Thomson.

Mr. Harkness: What would you have done if he had been elected?

Mr. Gardiner: In that case, of course, we would have taken the second best, as we quite often have to do. But that does not change the position at all. One of the reasons why some people thought that Mr. Thomson would make a good leader for the Liberal party was that he had always been a good director of P.F.R.A. But we were not the first people to realize that Mr. Thomson is an extremely capable individual. It is true that a Liberal government was in power in 1926 when he was first employed by the civil service commission. But in 1934 I had the privilege of forming a government in the province of Saskatchewan after an election in which my hon. friend from Prince Albert took part on the other side. At that time we wanted a minister of agriculture.

Mr. Nicholson: Would the minister tell us how many of the hon. member's party were elected in 1934?

Mr. Gardiner: There were not any. On that occasion, Mr. Speaker, I had the opportunity of selecting a minister of agriculture and I took the gentleman who had been in charge of the experimental farm at Swift Current, leaving a vacancy at the Swift Current experimental farm. It was a good Tory government that was in power at Ottawa at that time,—

An hon. Member: Good?

Mr. Gardiner: —and whom did they select to take the place of the gentleman who had been taken out of that position to become minister of agriculture? They selected Mr. Thomson. He was then in the province of Alberta functioning in connection with this Department of Agriculture, and the Conservative government of that day selected him as the ablest man in the service capable of carrying on at Swift Current.

But that is not the only time that the Conservative party recognized Dr. Thomson as an extremely efficient individual. A few years ago they selected Mr. Bracken to be the leader of the Conservative party; and the party then took on a new name, the Progressive Conservative party, as a result of having selected the new leader. He was given the task of winning agriculture in Canada over to the Conservative party. The first thing he did was to go out and look for bright young men to help him. He selected Mr. Ramsay from the University of Saskatchewan, with whom he had been associated previously while he was at that university, to lead the party in Saskatchewan. He took Mr. Hope from the University of Saskatchewan, and he asked Mr. Thomson to join the other two and become one of the three bright agricultural young men that were going to win agriculture of this country over to the Conservative party. Our Conservative friends seem to have the same opinion that I have with regard to Mr. Thomson, namely that he is an extremely able individual. I think he is a gentleman who might have made a good leader for the Liberal party, although I had nothing to do with asking him to try to become one.

Mr. Ellis: Will the minister suggest that the party got the second choice in the leadership race?

Mr. Gardiner: Oh, I will say something to please the hon. member after a little while. Mr. Thomson was recognized by everyone down to that time as one of the ablest agriculturalists in the country. Up to that time I had no reason for believing that he was a Liberal. He was promoted by the Conservatives. He was offered a position in their party by the Conservatives. When it came time to select someone to take over the position which he now holds, in spite of the fact that I did not know what his politics happened to be and in spite of the fact that the Conservatives had done everything they possibly could to convince me that he was a Conservative, I asked him to take on the job that he now has as director of P.F.R.A.

What happened in this house? I know that our friends in the C.C.F. party will not deny the attitude which they took. I know that the Social Credit group over on the other side will not deny the position which they

took. Immediately I announced our intention of asking Dr. Thomson to take the position leaders of both groups rose and stated that there was no better man for it in Canada. I was not surprised at that. But the then hon. member for Souris rose in his place in this house and said more in favour of Dr. Thomson than the representative of either the C.C.F. party or the Social Credit party had said; and he said that an abler man than Dr. Thomson could not be found in the Dominion of Canada to hold that position.

All that the Prime Minister (Mr. St. Laurent) said today was that the Minister of Agriculture agrees with them all and that he thinks that there is not any better man in this country to hold that position. At the same time I should like to say that I was a little bit surprised at the hon. member for Prince Albert for not having examined a bit more closely into the articles he was going to read to us about the Liberal convention. He had Mr. Simmie contradict himself. He first says that P.F.R.A. is a political machine run by Mr. Gardiner, and then he says that Mr. Gardiner did not know what was going on or he would have stopped it. Well, both things cannot be right.

Mr. Knowles: You don't know Jimmie.

Mr. Gardiner: As a matter of fact, the statements that Mr. Simmie was making were not being made in my interests. They were not being made particularly in the interests of the Liberal party, and the Liberal party pretty well indicated that they took them for what they were worth when he only got 16 votes out of 749.

An hon. Member: Is he still in the party?

Mr. Gardiner: I am not worrying very much about whether he is or is not because anyone who does not get any more votes than that is not going to affect you very much whether he is in or out. But the fact that my hon. friend gets up and quotes two statements like that, one of which refutes the other, makes it unnecessary for me to say very much more about it.

Mr. Cardiff: A good idea.

Mr. Gardiner: Well, I am sure my friend will feel much easier if there is not much more said about it, because a lot more could be said. The fact of the matter is that in so far as Dr. Thomson is concerned he did, as the Prime Minister said, put in his resignation. He did not ask for any conditions. He did say, however, that he was quite prepared to carry on and do the work that had to be done until someone could be secured to take over the job. He did carry on. He got leave of absence for the time of the convention, went to the convention, and that was his only political activity. After the convention was over he was not the leader. I heard the speech he made. There are other men sitting in this house who heard the speech he made. No one would have said that it was the kind of speech to which exception would have been taken by anyone who is associated with P.F.R.A. or expecting advantages from it. After it was all over and he was not the leader, it was my opinion that he was still the best man to carry on as director of P.F.R.A., and there he is.

All I want to say with regard to it is that I have not heard from any person, nor have I seen in the editorials of any newspaper in this country, statements to the effect that he is not the best man that we have in Canada to carry on that job. They have said that Mr. Gardiner had no right to do this or had no right to do that. Many of the things they said I did not have a right to do I did not do. But they have not said that Mr. Thomson was not the best man for the position that could be found anywhere in Canada, and few if any of them have said that he should not be continued in the position. As far as I am concerned, I wish to leave the matter there.

But there was another subject which was discussed by the hon. member for Prince Albert that I think I should say something about. The hon. member for Prince Albert is not the only one who has discussed it since this debate began. I refer to the position of agriculture and the effect of floor prices on prices in Canada. Some have suggested that we should adopt the system which they have had for a number of years in the United States based upon parity. I was not in the house yesterday or the day before because I was in the state of Kansas, in the very heart of the agricultural area in the United States, speaking to the Kansas state board of agriculture. All the agricultural officials of the state of agriculture were at the meeting.

An hon. Member: State of agriculture?

Mr. Gardiner: Of the state of Kansas. I might as well have left it "state of agriculture" because in many respects it is the greatest agricultural state in the United States. We discussed the activities of that state. When I lived across the boundary from that state when I was a boy, the crop in Kansas was corn and the crop in Nebraska was corn, but the largest crop today in Kansas is wheat. Kansas grows 25 per cent of all the wheat grown in the United States. Since in the United States of America they grow about double what we grow in Canada, and since

we in the province of Saskatchewan produce over half the wheat grown in Canada, the state of Kansas produces just about the same amount of wheat year by year that we produce in the province of Saskatchewan.

So I was invited there, coming as I do from the wheat province of Canada, to meet with them at their agricultural board meeting which is somewhat similar to the meeting we have here each December. The only difference is that our meeting covers all Canada whereas their meeting only covers one state. I was invited to discuss their problems with them. When I was there I found out a few things related to the discussions that are going on in this house. For example, just before noon yesterday I was at the television station in Topeka answering some questions, and immediately I finished a gentleman, seated at a table just about six feet away from me, proceeded with the task of announcing market prices.

The very first price he announced was the price for a product that we have been dealing with in the house. He said, "The price of eggs is 29 cents". I thought to myself that the floor price that had been put on eggs in Canada recently was 38 cents. Then I remembered that when we were putting that form of floor price into effect our friends in the opposition were saying to us that we should have adopted the United States system. Well, the United States system has gone through a course which now causes us all to conclude that it was not as sound as it appeared. They first filled up all the storages in the country, and storages that were not suitable for the storage of eggs were filled with eggs. Then they had to get rid of the system and start over again. The final result is that parity has been dropped and the wholesale price of eggs in Topeka, in a state which carries on to a considerable extent the same kind of agricultural activity as is carried on in the province from which I come, is 29 cents.

I went right from there to a dinner given by a gentleman who used to work for the Winnipeg *Tribune* when I was a student in Winnipeg. I did not know this gentleman before, but I was sitting between him and one of the egg producers in the western part of the state of Kansas. I said to the farmer from the western part of the state, "I presume that you keep some chickens". He said, "Yes, as a matter of fact I have one of the best flocks of egg layers to be found in the state of Kansas." I said that I had just been at the television station and had heard the announcement that eggs were 29 cents a dozen. He said, "Yes, wholesale, but I am delivering my eggs day by day at 20 cents a dozen". I said, "Well, are they A large?" He said that their grading system was not the same as ours but went on to say that they were the best eggs produced in Kansas or as good as any, and the price was 20 cents a dozen.

All I am going to say to hon. members, inasmuch as we have been told ever since this debate began that we ought to be able to do at least as well for our farmers as is being done for the farmers of the United States, is that on that commodity at any rate we are doing at least as well and perhaps better.

Mr. Brooks: How about potatoes?

Mr. Gardiner: Then again, Mr. Speaker, I was flying home last night, and as I flew over Chicago I heard the prices again. Prices are naturally a little higher in Chicago than they are at Topeka, and they gave the price of eggs as 32 cents, 3 cents higher than at Topeka. They gave the price of butter as 56 cents, and our floor price on butter in this country is 58 cents.

So I say to the hon. member for Prince Albert that when he was saying a few minutes ago that the margin between the prices that are paid for farm products to the producers and the prices that are paid by the consumers when they buy are probably about the same in Canada as they are in the United States—they were United States figures he quoted—probably that is so. Because the margin, as you will note, between the wholesale price in Topeka and the farmer's price for eggs is a margin of 9 cents. In this country the margin which is allowed, if the farmers are just outside the cities of Toronto or Montreal, is 6 cents, and up in some sections of Ontario they want 7 cents. When you get farther out into the west they want 8 or 9 cents, about the same as they have out in Kansas. So it appears that probably the margins are about the same as between the prices the consumers pay and the prices that the farmers get.

But I can go further than that. I was in Denmark a few years ago. People in this house get up and refer to Denmark as the ideal to be copied by farmers everywhere in the world. I was out looking at some of these plants where they produce butter and cheese, and take in eggs. I asked the price of eggs at that plant, which was just ten miles out of Copenhagen. They said that the price was 32 cents. Well, I was flying over to Ireland—

Mr. McIvor: Hear, hear.

Mr. Gardiner:—that is, to the place where my old friend used to live, Belfast. I had a friend there who I thought, or at least Mrs. Gardiner thought, might like some eggs from Denmark. We went into the same co-operative in Copenhagen that operated the plant we had visited to get the eggs we were to take over to Belfast, and we paid 67 cents a dozen for them. They were 32 cents at the plant, and they told me they were not higher at any time than 38 cents during that period. What were these margins? There was the margin for the wholesaler and the retailer, and so on, until eggs which had been secured from the farmers at from 32 to 38 cents were actually selling ten miles away in Copenhagen at 67 cents.

I am not going to attempt to tell this house why all that is so, or why that was so. I am not going to try, as the hon. member for Prince Albert (Mr. Diefenbaker) did, to indicate to the house why it is that there are certain margins between farmer's prices and the price the retailer finally pays. But I will tell you this, that so far as butter is concerned, which is under price control in this country, and in so far as eggs are concerned, which are more or less under price control in this country, we do know what the divisions are. We do know what the margins are. We do say to those who are dealing in those products that unless the margin is maintained, a margin sufficiently close to what we think it ought to be, support will not apply.

Now, my friend has just picked up something he heard in the country, and he wants to satisfy all the people he can when he says that the money goes to the packer. That is a very popular thing to say out in the country.

Mr. Diefenbaker: I did not say that. I said no such thing.

Mr. Gardiner: My hon. friend did say in my hearing, and it will be found in *Hansard*, that the people who are getting the support were not the producers, in many of these price support undertakings, but that it was the packer. I would like him to show any place where the packer has the advantage of the floor prices that are being established on farm products in this country. It cannot be shown; because when that is shown to be the case, the support prices do not operate. Our support prices are put on in such a manner that the individual who draws that support must be able to show that the money is going to the farmer.

My friends from Nova Scotia will remember that when their apples were blown off the trees we went down there and made arrangements to take care of those apples. The arrangement was based on the fact that the farmers got the money. No apple packer got it. No trader in apples got that money. The money which was paid was paid to the farmers who grew the apples. And if there were any bills owing to others with whom they had been dealing, then the individual who was in business, whether he sold them boxes or whether he sold them spray or fertilizer for their trees, or whatever it was, had to go and collect his money from the farmer who had the money in his hand, and was in a position to make payment.

So in all these agreements for support, payments were made out of these funds which were set up for the purpose of maintaining price returns to the farmers across Canada. Support under all those plans is based upon the idea that the farmer gets the money. Maybe he does not get as much as he thinks he ought to have. Maybe we are not able to get him as much as we think he ought to have, but we do check before our payments are made to see to it that everyone who is interested in the transaction is getting what was intended.

The result of all this is shown in the incomes of the farmers themselves. The hon. member for Prince Albert was very careful not to give the figures, but to just make general statements with regard to farm income. He said, "Oh, I know that the farmers out in Saskatchewan are worse off than the others, because they have not had a good crop this last year." Then he goes on to try to show that everybody else is hard up, for other reasons, though they did not also have crop failures.

What is the situation? Well, I have said in this house on many occasions that it is not a safe thing to take any one year in connection with an agricultural product and compare it with any other one year, and to try to arrive at a proper conclusion. But despite the fact that this has been said many times there are members on the other side of the house who keep on doing it. The other day I listened to one of the leaders directly opposite making a statement based upon the first nine months of 1953 and the first nine months of 1954. Well, if there is anything worse than taking one year and comparing it with the year before, it is to take part of one year and compare it with part of another year and try to arrive at any sound conclusion.

The whole argument put forward in this debate was based upon that sort of thing. Well, I have here in my hand figures showing the cash income return, and I also have net income return figures. For the time being, however, I shall deal only with cash income

returns. These apply to all the provinces of Canada with the exception of Newfoundland. It is not yet on the list and, so far as agriculture is concerned, is not as big a producer as any of the other provinces. But I have here the figures for Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia from the year 1926 to the year 1954. I shall not give all the figures.

An hon. Member: Give us the figures for 1954.

Mr. Gardiner: I have them. They are not final; they will have to be finalized later, but I have the figures now available for 1954. I am doing again what I did last year and what I have done before, in that I am taking three years and I am examining the returns for those three years. Our system differs from that in the United States in that they take more than three years. I believe they take four years, away back before the last war began; as a matter of fact before the first war began. They take those figures as a basis for parity, and make a comparison as they go along. At the end of the war, when we set up the Agricultural Prices Support Act, we took the last three years of the war, 1943, 1944 and 1945. Up to that time every farm organization in this country said that was the best condition the farmers had ever lived under up until then. So we took that period and said, "We shall try and maintain the same relationship between costs, as nearly as possible when you take all the products into consideration, as existed in the last three years of the war, not for any one-year period but for the three-year period."

Therefore I am taking the last three years of this period in the sheet I have here. What do I find? I find that the hon. member for Prince Albert (Mr. Diefenbaker) was right when he said that Saskatchewan had less income from its farms because of crop failure. He might have included Alberta and Manitoba, and probably intended to, because these are the three wheat growing provinces that were affected by rust.

What is the reduction in income in these three provinces because of wheat reduction in 1954 compared with the top year in that three year period? Well, in Manitoba it is $83·9 million; in Saskatchewan it is $244·5 million; in Alberta it is $112·4 million. All told it is $440,900,000. That is the loss that has taken place in Saskatchewan, Alberta and Manitoba because of the fact that they had poor crops last year and low returns because of rust and low quality wheat.

The total cash income in all the provinces of Canada in 1954 was $2,408 million, and when you add to that the $441 million which the three wheat provinces lost last year because their crop was down and of a poor grade, you get a net return of $2,849 million. That is what the income would have been if they had had a good wheat delivery year and that is $23 million more than the farmers of this country ever had in any one year. All that means is that when you put all the other provinces together, their income is not down as compared with the years that have gone before; their income is very nearly the same as in their top year.

Mr. Quelch: Will the minister estimate what the income will be; because they have not sold the crops for the last year yet?

Mr. Gardiner: That is one of the weaknesses in most of the arguments that my hon. friends are putting up. They are talking of the calendar year, and it does involve the losses that were taken in those last two years because of the lower return that has been taken in resulting from the fact that elevators are filled.

I should like to ask my hon. friend how he accounts for the fact that in Ontario the return was $741·9 million, and the highest other year in this previous three-year period was $719 million. In Ontario it was higher than in the highest year of the last three years, higher in the last year. When you go through the whole sheet and find that you have to go to the three western provinces in order to get a reduction in income at all, I am saying to you that it is not fair to say that the income is down on all the farms all the way across Canada, nor is it down in all provinces all the way across Canada. As a matter of fact in the province of Nova Scotia, where they lost the greater part of their apple crop this year, their cash income in 1954 is $42·9 million; last year it was $40·6 million, and the year before it was $39·8 million.

I am just pointing out to the house that some of the statements that are made from time to time are not based upon facts. Simply taking the total figures, as covering the whole country, leaves out of consideration what my hon. friend protected himself against by mentioning without going into details, namely that he knew the returns were down in Saskatchewan. Even my friend to whom he refers in such critical terms, the minister of the treasury in the province of Saskatchewan, does not do that; neither does the premier of the province of Saskatchewan.

When we had a conference here in Ottawa the minister of agriculture of the Saskatchewan government rose and brought out the very fact I am bringing out now, and he added this statement: "If we get an average

crop next year our income will be back to where it was last year", that is, 1953. These are not my words; they are his. They can be found in his speech which was delivered to the conference here in December. I agree with him. All that is necessary to put the incomes back to where they were is not all this planning and all those ideas that have been mentioned here. What is necessary is to have another good wheat crop out there.

When they get a good wheat crop out there of average quality it seems to have the effect of raising the income of all farmers in Canada, according to the reasoning that is carried on in this house; of course that is not true. But whether it does have that effect or not, it does have the effect of increasing the purchasing power that the hon. member for Prince Albert (Mr. Diefenbaker) was talking about; it makes it possible for them to buy farm implements and put people to work producing them. It makes it possible for them to buy other commodities that are required on the farms. Thus the whole country benefits from the fact that there is a crop, and the whole country is injured by the fact that there was not as good a crop in the west in 1954 as there sometimes is. I wanted to say that with regard to these incomes in order to answer some of the things that had been said not only by the hon. member for Prince Albert but by some others.

There was one thing the hon. member for Prince Albert got very much worked up about. He was telling our C.C.F. friends what a miserable job they have made of developing industry in Saskatchewan, and I agree with him in everything he said. But there is one thing I should like to point out to him. There is no man in the province of Saskatchewan, excepting Tommy Douglas, who is more responsible for the C.C.F. still being in power in that province than the hon. member for Prince Albert. Why do I say that? Well, when the last provincial election campaign was on he went up and down through Saskatchewan, but not condemning the C.C.F. He did not make a speech in that campaign like the one he made here this afternoon. He made speeches condemning the Liberal party, and condemning me as Minister of Agriculture in the Dominion of Canada because of the things I had or had not done. His main discussion was on the fighting of foot-and-mouth disease. It is recognized by everybody that the best job done anywhere in the world in fighting foot-and-mouth disease was done in Canada. Still that was his plea.

You know, even that would not have won the election for the C.C.F.; but when it came to nomination day the Conservatives put only seven candidates in the field, and he went right on talking against the Liberals. He did not talk against the C.C.F. I am not blaming the C.C.F. I suppose if we had been in power in Saskatchewan we probably would have tried to get him to do the same thing to them, but the fact is that the C.C.F. were in power.

Mr. Argue: What did the Liberals do in Souris-Estevan?

Mr. Gardiner: The fact is that in that election the hon. member for Prince Albert did everything he possibly could to see to it that the C.C.F. got back into power, and they did. For him to rise in the house now and make this speech is not nearly as effective in slaughtering C.C.F.'ers as it would have been had he made it then. Then he would have been rid of those socialists he talks about now, because they have not got very far anywhere except in Saskatchewan.

Mr. Argue: And Selkirk.

Mr. Gardiner: If he would just help get them out instead of helping keep them in he would get rid of all those troubles he was talking about a little while ago. I thought I should say that much in regard to it.

There is one other thing I wish to speak about, and that is the Crowsnest rates. The hon. member says we appointed Chief Justice Sloan of British Columbia, who is a good friend of ours, to conduct an inquiry, and he said something about the Crowsnest pass rates. Has he forgotten what the Tories said about the Crowsnest pass rates? They were brought in, as everyone in the country knows, by Sir Wilfrid Laurier when he was in power. He made a deal with the C.P.R. under which the Crowsnest pass rates were established for all time, and his end of the deal has been carried out by succeeding Liberal governments.

When we came to the end of the first war, at which time the Conservatives were in power, what did they do? They moved to do away with the Crowsnest pass agreement, and they would have been successful in doing this had it not been for that chamber which some people criticize so much. That is one time they did a good job if they never did another one, but I think they do many good jobs.

On that occasion when the members of this house had not been here for a sufficient length of time to remember all that is attached to the Crowsnest pass agreement, the then prime minister, the leader of the Conservative party, who was a member from the province of Manitoba which has gained as

much from this Crowsnest pass agreement as any other province, said he was going to do away with the agreement. When the bill went to the Senate one of the senators —I suppose he was put there because he was a Liberal at the time he was selected—because he was a Liberal remembered why we had the Crowsnest pass rates, and he stood up in that house and objected to what was being done. In spite of what he did, in spite of the objections he raised and in spite of the objections raised right across the country, actions were taken which did away with much of the effectiveness of the Crowsnest rates.

What happened? When the Liberals came back into power in 1921 they appointed a commission, such as the one my hon. friend has been asking us to appoint for other reasons now, and had them look into the whole thing. As a result of the activities of that commission in 1927, you still have the Crowsnest rates and had your maritime rates established. Why? As an alternative to the Crowsnest pass rates on our grain being shipped through. I am satisfied that if we were to get up in this house and argue in favour of taking off the Crowsnest pass rates, at the same time we would be asking to take off the special rates that have been given in connection with maritime freight.

Any group attempting to do that, I do not care whether they sat over there or over here, would not be here after the next election. Therefore when my hon. friend points his long finger at us and indicates what we ought to do, he should read about what his own party has done. If he has any appeals to make on that question he should make them to the men who are sitting behind him, not to the men sitting over here. I would suggest that so far as that question is concerned there are certain things which can and will be said as we go along and discuss the question from time to time.

Mr. Deputy Speaker: I am sorry to interrupt the minister but I am obliged to advise him that his time has expired.

An hon. Member: Go on.

An hon. Member: Carry on.

Mr. Deputy Speaker: Has the right hon. minister unanimous consent to continue?

Mr. Nicholson: I think the minister, being the first to reply to an amendment, has unlimited time.

Mr. Gardiner: I think that is true, but I am not going to take very much time. The suggestion was made that we ought to get along with the South Saskatchewan river dam. I would have been very disappointed if the hon. member for Prince Albert (Mr. Diefenbaker) had not mentioned it, as he did in the last sentence or two of his address.

He did not, however, say some of the things which I know are on his mind because he has said them elsewhere. It has been said that this government built a causeway across from an island to the mainland down in the maritimes. Then they say we have done something else along the St. Lawrence, and it will be a very big job. I said last session that it took the Tories 50 years to decide whether or not they were going to start it, and they never did. This party took about the same time considering it and eventually did start it.

My hon. friend says we have not yet started the South Saskatchewan project. The hon. member says that I was out in Saskatchewan considering something or other. I was out in Saskatchewan. I am going to say this right from the start, that in my negotiations with the government of Saskatchewan I have found them most reasonable and easy to deal with in discussing the matter. We did not have any controversies when we were discussing it as are sometimes claimed in the press later; and I notice that not even the premier of Saskatchewan indicated that I was discussing government policy when I was there. Some hon. members on the other side get some of those ideas and try to leave that impression.

We have been discussing this matter for some time. Any hon. member can go back and look up *Hansard* if he is interested, and find out that at one stage we said there were four things yet to be settled. I shall mention but two of them because there are only two left, the others having been cleared away in these discussions.

One of them was whether or not the subsidization of power by the federal government has been entirely removed. That question has not yet been discussed from a standpoint which everybody agrees has removed entirely the possible subsidization of power in the province of Saskatchewan if the dam is gone ahead with.

The other one was as to whether it was in the national interest; and the Prime Minister (Mr. St. Laurent) made it very clear in answering a question yesterday that that question has not yet been determined. I am going to say that it cannot be determined until the other one is out of the way, and the other one still has to be got out of the way.

Then there is the question of what is to be included in the agreement. What is being discussed is not similar to a hard and fast agreement such as lawyers draw up con-

cerning the sale of one person's property to some other person. The hon. member recited such a case to illustrate how foolish this arrangement is. We sat down and discussed the matter.

Mr. McCullough (Moose Mountain): Was the same consideration given in connection with the St. Lawrence project that Ontario—

Mr. Gardiner: The only difference between the St. Lawrence project and this one is that it took more than 50 years to get to the end of discussions with regard to the St. Lawrence. Power is eliminated in connection with that in so far as this government is concerned. In connection with this dam the discussions have been going on more or less since 1946, and we have not yet arrived at a conclusion. I am satisfied that a conclusion is going to be arrived at sooner or later. I am satisfied that some day some two governments are going to build the South Saskatchewan river project—the government of Saskatchewan and the government of Canada. As the Prime Minister has said, we are not yet in position to say that a decision has been reached that we are prepared to recommend to the house the amount that will be required in order to carry this out.

I am going to say to you that we do not know yet what the amount is that will have to be recommended to this house. We cannot arrive at what the amount will be until we have reached an understanding as to what part of the construction will be associated with power and therefore be taken care of by the province, and what part will not be associated with power and therefore be taken care of by the dominion, if it is decided to be in the national interest to recommend it to the house. However, what I was going to point out—and I wish to say this now because I probably shall not speak again on this question—is that what I am saying indicates there is a very good reason why this was not included in the speech from the throne.

The suggestion was that since we have built a causeway in the eastern provinces, and since we have undertaken and are now engaged in the St. Lawrence waterway project—because we have announced our intention to remove Ripple Rock at Vancouver, and because we are building the trans-Canada highway across the eastern provinces and the prairies—this South Saskatchewan river dam project might have been included also in the speech from the throne. As a matter of fact, the Acting Leader of the Opposition (Mr. Rowe) raised this question the other day, and he even went further by suggesting that this government has not done anything for western Canada comparable to what was done in other parts of Canada.

When the hon. member makes a statement of that kind I think I should place on the record exactly what we have done. In so far as relief is concerned, the amount which applies to the areas in the three western provinces of Manitoba, Saskatchewan and Alberta is $74 million since we came into office.

Mr. Stewart (Winnipeg North): How much for other parts of Canada?

Mr. Gardiner: It is very high. Just wait until I get through with the figures and you will have no more questions to ask. Then there is the matter of prairie farm assistance. The net amount which has been spent, after collections from the farmers, is $86 million. There is the amount spent under P.F.R.A. Some of that amount was used in exploring the possibility of building a dam on the South Saskatchewan river, but it was only a comparatively small part. The total amount is $92 million. That is the amount that has been spent on projects over the years to assist in maintaining the farmers on their farms. But the total amount stands at $252 million, or approximately $14 million per year.

I will repeat what I said before, namely there is no one in this house or outside who is more anxious than I to get the South Saskatchewan river dam started. But if anyone goes out to Saskatchewan and states that this government has not been doing what ought to be done in the interests of the western people, and particularly the western farmers, then I wish to state that the figures I have given contradict that assertion. In so far as the government is concerned, and in so far as the house from which all financial proposals originate is concerned, we can substantiate every single dollar of expenditure that has been made. I am quite satisfied that in due course there will be support for further amounts, and all I am asking at the moment is that we exercise a little patience.

It has been suggested that we have already shown enough patience, but I would point out that everyone in this house is agreed on this project, and I have never known a project which had the unanimous support of the house which was not eventually undertaken. I would therefore suggest to hon. members that when they speak on this topic they make it plain to the people of Canada that we are fully aware of the need for this dam. Let it not be suggested that the government is not going to do it and that it should therefore be forgotten. Let us get busy at the task of proving why we want this dam and why it will be good for Canada as a whole.

Let us not suggest, as did the hon. member for Prince Albert (Mr. Diefenbaker) a few

moments ago, that this is merely an irrigation scheme. No government could possibly build a dam at such a cost merely for the purpose of irrigating 400,000 acres of land. In addition, that sort of appeal will not weigh with the people in eastern Canada, or even in central Canada. The water at the dam will be 185 feet deep, and in actual fact the top ten feet of that water can be run off by gravity in order to irrigate the 400,000 acres of land and affect the income on millions of acres. The people should also know that once the dam is put there we will have a lake 145 miles long, or three-quarters of the length of lake Erie or lake Ontario. The water behind that dam will not only irrigate the land but will create a huge head of power which can be used right across the province of Saskatchewan and if necessary on into other provinces both east and west.

This same problem was dealt with yesterday at a meeting in Kansas. I heard a gentleman get up and tell the people that they had to conserve their water, and they had to make greater use of their available streams than they were doing at the present time. On my flight across the state of Missouri afterward I saw dugouts on every farm, the same kind of thing we have out in the provinces of Saskatchewan, Alberta and Manitoba. When we view that sort of situation we should remember that as a result of the building of this dam we are going to provide many benefits for western communities, including water for industries. There will be water supply for scores of towns which are below the level of the dam.

In conclusion I would say to hon. members of this house that if they get that idea over to the Canadian people, then there is no doubt in my mind as to what eventually will be done.

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I have to admit that after listening to the last two speeches I am a little bit confused. First of all the Minister of Agriculture (Mr. Gardiner), as I understood him, blames the hon. member for Prince Albert (Mr. Diefenbaker) for assisting in the election of a C.C.F. member in a certain constituency in Saskatchewan. On the other hand, it seems obvious to everyone that the Liberals elected John Diefenbaker in Prince Albert. In view of that I cannot understand the great concern shown by the hon. member for Prince Albert in regard to political planning.

Mr. Gardiner: He elected twelve times as many as we did.

Mr. Argue: What about Kohaly in Souris-Estevan?

Mr. Bryson: Certainly any planning the Conservative party ever did in Saskatchewan has been a horrible experience, and I was surprised the hon. member did not admit that he was to all intents and purposes a voice crying in the wilderness as far as that party in Saskatchewan is concerned.

We have heard many speeches over the past few days, and in most cases the speakers have voiced the opinion that the speech from the throne provides hon. members with an opportunity of bringing to the attention of parliament those matters which are of the greatest concern to their own constituents. I think that is understandable, but I also believe that if we are going to discharge our duties as members of parliament we must not forget that we represent all the people of Canada. I know it is hard to see the other fellow's point of view; it is hard to see the other fellow's problems. But if we are going to properly assess our own problems in our own areas, I am convinced that we must have a fairly good working knowledge of the many and varied types of occupations and industries in this country. I think more people than ever before realize that we must have a good working knowledge of all phases of endeavour in this vast country of ours. If I speak, as I probably shall this afternoon, with respect to agriculture in this country, I do so with the idea of trying to relate it to the whole Canadian economy.

Last summer I took the opportunity of visiting for a month or six weeks in eastern Canada, the maritimes and, I may say for the benefit of my French-Canadian friends across the way, the province of Quebec. It was a wonderful experience. I gained a great deal of knowledge as to the difficulties and the problems that are being faced in other parts of Canada. I should like to take this opportunity of inviting members from eastern Canada and the maritimes who have not recently visited western Canada to go out there and see at first hand some of the difficulties and problems with which we are faced.

We hear a great deal, Mr. Speaker, about the proposition of one world; we hear a great deal about a world community. In the minds of most people I think it means something more than just a geographical proposition. I think it means the peoples of all countries living together in a sort of brotherhood based on the principles laid down in the Atlantic charter. I will be the first to admit that when we look at the situation that exists in the world today, it does not sound too realistic. However, I am convinced that it is the goal

toward which we must all strive. I am convinced that we have no choice but to accept that principle.

If we are going to condition our thinking to this idea of one world, I think the best thing we can do is to start at home, because Canada also has become a very small community, as will be acknowledged by anybody who takes a look at our transportation system or our communications system and who gives any consideration to the economy of this country.

More people than ever before realize that in any small community such as Canada has become, you cannot have one segment of our economy depressed and another segment of it fairly prosperous. Nor can you have one section of our people unemployed and on relief and another section of our people enjoying comparative prosperity. Those two conditions cannot exist in a community.

They cannot exist in Canada for another reason, too. We cannot afford to have conditions such as those I have outlined if we are going to attempt to set an example to the hundreds of millions of people in other parts of the world who are looking around, standing in the shadow, trying to make up their minds as to just what their choice is going to be as between the two dominant political philosophies that we find in the world today.

These conditions do exist in this country, Mr. Speaker, as is quite evident. Daily it is becoming increasingly more difficult for workers to exchange the product of their labour and their ingenuity for a better standard of living; and by the same token it is becoming increasingly more difficult for agricultural producers to market the food which they produce. I contend that food is the most important commodity on earth.

If we are going to consider this Canadian agricultural scene, I believe it is time we faced up to a few of the hard facts of life in connection with it. I think it is time we believed that Canadian agriculture, in so far as the welfare of the Canadian people is concerned, is the greatest industry we have. I believe it is one of the greatest industries we have because so many other industries are dependent on it.

In the corridor here the other day a member of the house said to me: "Yes, I will admit that the farm machinery industry is suffering a mild recession. I will even go so far as to admit that there are production slow-downs. I will even go so far as to say there are work stoppages; but you are not going to condemn the system just on the ground that one industry in this vast country is suffering economic distress." But what my hon. friend did not realize was the fact that the farm machinery industry in this country does not produce a finished machine. What about the workers in the rubber industry, who put the tires on these implements? What about the people engaged in the manufacture of batteries? What about the people who manufacture bearings, paint, ignition systems, generators, starters, spark plugs and lighting equipment? When you have a production slow-down or work stoppage in this important industry, you have a corresponding work stoppage and production slow-down in a great many other industries. The same thing applies also to the automotive industry.

I think we in Canada are stuck with this agricultural industry. I think we are stuck with it because of our large amount of arable land, because of our climate and because of our people. By people in other parts of the world we are going to be looked upon as one of the greatest food producers, in so far as our export is concerned, in the world. In all probability we are destined to play that important role, just as we have played it in the past. Therefore we must make up our minds as to what kind of agricultural industry we want in this country. Do we want an industry like the one we had in the thirties, a sort of twentieth century peasantry? Or do we want in this country an agricultural industry that is prosperous, one that will make for general prosperity not only among our own people but which, if it is properly distributed, will provide for the world food which in my opinion is still the greatest force mankind has ever invented to ensure the peace of the world.

In spite of the things we have heard from the Minister of Agriculture let us not delude ourselves that agriculture is in a healthy position. It must be admitted that western Canada suffered a tremendous crop failure in 1954. That crop represents only a fraction of the normal. As far as Saskatchewan is concerned, it is estimated that our income will be reduced by $250 million this year. This means that the purchasing power of the people of the province will be reduced by approximately 45 per cent as compared with last year, and in some parts of my constituency the figure will run as high as 80 per cent. But once again let us not forget that in the last three years the farmers of western Canada have grown five crops. Let nobody say that the economic distress western Canada is now experiencing is the result of the short and disastrous crop we had last summer, because we in western Canada have grown five normal crops in three years.

Many people say, "If you have done this, how is it that you find yourselves in this position today?" According to dominion bureau of statistics figures, since 1951 the

prices that farmers throughout Canada have received for what they sold have gone down eight points while their costs have risen 14 points. In my own province farmers' costs have risen 16 points, which means that so far as their net income is concerned they are 24 points worse off than they were three years ago.

I wonder how many other Canadian businesses could remain solvent faced with this kind of thing. Yet the farmers are asked and expected to go on producing under these conditions. They are even told now that in all probability their net income will be further reduced next year. Of course this evil day has only been postponed because of the fact that we have grown five crops in three years, yet many people will try to make themselves believe that other factors are responsible.

A great deal has been said about unemployment, but I do not intend to say too much about it. Some say that in the next month or two there will be 600,000 unemployed. Some go so far as to say that there will be 750,000. This condition has arisen because of the loss of purchasing power of the primary producer. The primary producer is not buying as many goods and services as he formerly did because he does not have the purchasing power to do so. When he does not purchase the manufacturer slows down production. When he slows down production he lays off men. When he lays off men their incomes are not as large as they were, so they do not buy as many consumer goods as they did. This brings about a further slow-down of production with a further lay-off of workers. So you have the whole process repeated over and over again.

I think it is time we stopped trying to make ourselves believe that the situation will cure itself if we give it enough time. There are a great many things that I believe we could do. The Minister of Agriculture has told us over and over again that the people of Canada provide the best market for the things produced in Canada. Let us take a look at that statement. Maybe he has something there. We have 600,000 unemployed. One does not have to be much of a mathematician to realize that 600,000 unemployed could represent about a million and a half people in Canada who are not eating quite as much as they did before, who are not purchasing quite as many clothes as they did before. Why not take a look at this potential market? Let us put these people to work.

As far as markets are concerned, I saw a report the other day that the Soviet union is going to import 240 million pounds of meat products this year. Last year Canada Packers made a deal to sell pork to Russia, and got an export permit from the government. I cannot see any difference in the government making a deal to sell meat to Russia this year. I believe that market should be investigated.

But I think the crux of the situation lies in the fact that the government should do what they had in mind in 1945 when they called the dominion-provincial conference on reconstruction. At that time they had in mind that if and when unemployment or a depression appeared in Canada they would undertake a public works and public investment program. Of course such a public investment program was contingent on a designated number of provinces signing a dominion-provincial tax agreement. That has happened. The way is clear.

I maintain, as other members have emphasized in previous speeches, that this is the time for the government of Canada to undertake a public works program. Once they have done so it is my view that they should call a dominion-provincial conference to decide where these public works projects should be built to produce the best results. As was pointed out yesterday, as far as anything built in western Canada is concerned 75 per cent of the money involved in the cost of such projects will accrue to interests in eastern Canada and 25 per cent will remain in the west.

I believe, too, that the South Saskatchewan river dam should be constructed. I think that is one of the more important public investments that could be made. Somebody said they believed that the Minister of Agriculture wants the dam. I honestly believe he wants the dam. For all I know it may be that he is a captive of the Liberal party, but I should like him to come out of that captivity and build the dam. I am sure that if the dam is built we will all be happy, and in all probability we will call it the Gardiner dam.

I said we should put people to work on public projects. If war came tomorrow we would put these people to work. There is no question but that we need many things in Canada. We need more hospitals. We need a road-building program of the type indicated the other evening by the hon. member for Vancouver East (Mr. Winch). All these things would in themselves be wealth-creating and largely self-liquidating. In my opinion such a program is the only thing that would approach a solution to this problem. Such a program is being sought by a great many responsible organizations in

Canada. It is being requested by the Canadian federation of mayors and municipalities and by labour organizations. It is even being asked for by the Canadian Chamber of Commerce.

I should like to spend a few minutes discussing a problem about which I am very much concerned and have been very much concerned for a long time. I refer to the problem of Indian affairs. One does not have to study the Indian affairs branch long before it becomes pretty obvious that the same kind of bungling goes on in that department that goes on in a great many other government departments. It is my sincere hope that the new Minister of Citizenship and Immigration, whose department deals with Indian affairs, will give a great deal of serious consideration to the problem, and will show much more enthusiasm in an attempt to come up with solutions to a few of these Indian problems than any of his predecessors have shown in the past. I have to admit that many procedures have become so well established in that branch that I doubt if even the new minister will have very much success in finding a solution. But there are a great many urgent problems to be solved.

Before mentioning some of them I should like for a moment to take a look at the reserves system. About 70 years ago the government of Canada undertook to place the Indians on reserves. I assume that in the back of their minds they believed that this system of reserves would be a means to an end, and I hope the end was assimilation. I believe that is correct. And I also believe that the reserves system was the most infamous and most immoral thing any one group of people ever imposed upon another group. We who profess freedom in this country, and laud to high heaven the dignity of man, rounded up these primitive people and put them in compounds with just about as much compunction as we do the buffalo. We denied them the white man's privileges. And while we restricted their association with white people we exploited them at every turn, inflicting upon these comparatively happy and self-sufficient people all the vices and diseases of the white man, until in the majority of cases we have completely demoralized them.

In other words we used just about every conceivable device to guarantee the failure of assimilation. And after 50 years of experience this government is now contemplating setting up more of these infamous reserves. Yes, it is going out and buying land for that purpose. I read a report—I hope it is not true, because I am not prepared to believe it—that they are even considering setting up some kind of reserves system for the metis people in this country. God forbid!

I should like to tell a story about what is going on in one reserve in my constituency, and there are others in a similar position. There is no Indian agent within a hundred miles. If one of these Indians wants to sell a cord of wood, a bushel of wheat or a few fence posts he has to hitch-hike a hundred miles there and a hundred miles home to obtain written permission from the Indian agent to dispose of that product. The obvious result is that he does not do this.

About a month ago the local papers throughout the area were circulating a request for clothing and food to alleviate what they described as a deplorable condition among the Indians. I hope the minister is going to investigate that very serious situation. I would like to bring to his attention the serious position of the northern Indians in this country and suggest to him—I am sorry he is not in his seat—that he make a very careful examination of the personnel working in the field for the Indian affairs branch. I will be the first to admit that a great many of them have all the outward appearances of possessing the qualifications necessary for their work, but there are factors involved with many of them, factors which I do not wish to put on *Hansard* because some of these people are friends of mine, which render them utterly useless in the job they are now doing.

An hon. Member: Are they Liberals?

Mr. Bryson: No, they are not Liberals. I would be happy to give the minister in private what I refrain from saying in the house respecting these people.

The Department of National Health and Welfare has gone into the north country, augmented by the health services of the different provinces, and has brought about a situation under which the Indian population is increasing rapidly. I find that in one area the infant mortality rate has dropped from eighteen to three per thousand of population. That is a wonderful improvement. But here you have the perfectly silly situation of spending the taxpayers' money in providing a service and at the same time allowing conditions to exist which make these people the complete and absolute wards of the government, in a most disgraceful manner.

Let me illustrate. We still believe we are going to be able to assimilate these people, so we say they have to go to school; and here is where I say the department falls down in its administration. They pay the Indians family allowances—and I hope no one will

get the impression that I am opposed to family allowances, because I am not. I would like to see everybody, including the Indians, get family allowances. But I certainly take objection to the administration of those payments.

Here is what happens; here is why I say the men in the field are inefficient. They are paying these Indians family allowances, but at the same time they say, "In order to collect your family allowance cheques you have to send your children to school." What does that mean? If these men knew their business they would know that was not a proper thing to do. An Indian family is a unit. If one member goes, they all go. They sit around the posts now, collecting their family allowances. The cheques are taken in to the Hudson's Bay Company—these exploiters who have learned well their trade over two hundred years—and do the Indians buy essentials with these family allowance cheques? No, they do not. These are primitive people; they are buying ribbons and Mickey Mouse watches, and the Hudson's Bay Company could not care less. Why should they? They are in business. Free enterprise!

So, Mr. Speaker, the end result, with one exception which I shall mention later, is that the Indians are not going out on the trapping grounds in the winter nor are they going out fishing in the summer. They cannot, because the Indian woman has to stay and look after the children. They have to go to school if the Indian family is to receive the family allowance payments. And the Indian man cannot go out and do anything without the woman, because she does the work.

Let us get down to the facts. I say there is something desperately wrong with the administration of that department when conditions like that are allowed to exist. But there is one exception. Some bright boy on the Indian field staff came up with this idea. The trapping season starts on December 15, so we will let these Indians go out on the trap lines between December 15 and March 15. How utterly stupid are those people. Anyone who has had experience in the north country knows that trapping is a quite considerable business. You cannot say, "I am going out to trap tomorrow." You have to say about the middle of August that you are going out to trap, and you get ready for December 15. Again this is a sample of maladministration.

I say the government of Canada is spending the taxpayers' money to create a condition whereby the Indian population is increasing, and at the same time it is allowing a condition to develop under which these people are becoming wards of the government. I would suggest that the government establish trading stores in the north. Let us forget about this Hudson's Bay Company. Let the government provide trading stores in the north where they will sell essential things to the Indians in exchange for the family allowance.

That may be a kind of shock treatment, but the government is using a little bit of shock treatment on these people now, and I condone it. I believe the government was completely justified last year when it took a team of X-ray specialists into that country. To the Indians, of course, that was a kind of bogeyman. They did not want to be X-rayed. So the specialist said, "All right; no X-ray, no treaty." That is what I call the shock treatment. I think it was all right. In that particular respect the means justified the end. I suggest they set up government stores in the north where those Indians can buy essentials, flour instead of ribbons and sugar instead of Mickey Mouse watches.

Mr. Harris: Will the hon. member permit a question? Is he aware that one of the few popular things I did in the house was to announce that those cheques were to be sent to those people without restriction? That statement was applauded by the party to which he belongs.

Mr. Bryson: That may be true.

Mr. Harris: It is true.

Mr. Knowles: The minister is in a position to do a lot of popular things now.

Mr. Bryson: I maintain that the welfare of the Indians of this country rests primarily on the people who are administering family allowances.

I almost hesitate to do this, but I am going to commend the government on setting up locker plants in the north where the Indians can store meat against hard times, with Indian participation financially. Of course I hope we never again have a repetition of what happened last summer at one place in the north where, after the meat was stored in the plant and the summer came along, with Indians all around the post—they cannot go away; if they do they do not collect the family allowance, so they stay at the post—the man in charge of the locker plant decided he was going on a two months' holiday and took the key with him, leaving the Indians in a state of complete panic and near famine. I hope that will be investigated by the Minister of Citizenship and Immigration. I hope they set up more of these lockers.

I have a suggestion now for the minister that I believe will bring about a solution,

possibly more rapidly than anything else I know of. I urge the government to call a dominion-provincial conference at the earliest possible moment in an effort to work out a long-term financial agreement with the provinces, so the provinces may take over the administration of Indian affairs in this country. I believe that would be a step in the right direction, on the ground that the provinces individually would be much better able to cope with this situation.

Those closely associated with Indians believe that is the ultimate solution. The present policy is inadequate, and what is more important it is completely unrealistic. Certainly we as a people who profess all the Christian ethics associated with a free people in a democracy can no longer go around shutting our eyes and turning our backs on these unfortunate people who, through no fault of their own, have become the victims of our refusal to accept and treat them as deserving citizens within our country.

I think, after what I have said, Mr. Speaker, you will agree that I do not intend to support the motion.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, it is generally agreed among authorities that mankind has solved the problem of production, but that mankind has not solved the problem of distribution. It is not, perhaps, adequately realized and appreciated that in this age of machines and wonder-working skills man must solve the problem of distribution or face probable extinction from the earth. One of the amazing things to me is that for years and years now our government has done nothing, so far as I can see, to develop or discover a method of distribution any different from what their forefathers were using in 1895.

For freedom-loving men the only potentially satisfactory method of distribution is the financial philosophy and mechanism of Social Credit. What mankind must have is the means whereby men can make what is physically possible financially possible. As the clearest evidence that we have not yet accomplished that objective, it is well known to everyone that just as soon as we develop more of a particular kind of goods than the people are buying, the price of those goods goes down and down and the people producing those goods are worse off than they were when there was a scarcity of goods, which shows quite clearly that up to the present time we have nothing even resembling a scientific method of distribution or a scientific method of making that which is physically possible financially possible.

The financial technique of Social Credit provides a means whereby man can make what is physically possible financially possible, not only in producing goods from the resources available but in consuming the goods already produced.

The Social Credit financial technique comprises three elements. These elements are: one, the free flow of credit; two, the just price; three, a national dividend to be paid to every qualified member of the community or society. Regardless, Mr. Speaker, of what mischievous organs like the Winnipeg *Free Press* and others are endeavouring to mislead the people into believing as being what Social Credit advocates, the statements which I have made here are correct.

May we briefly consider each of these three elements. Let us take first the free flow of credit. Through establishing and maintaining a free flow of credit a society or state, without increase of debt, of taxation or of prices, is able to make available to itself whatever money is necessary to bring about and sustain whatever measure or degree of prosperity its resources render possible, avoiding both depressions and undesirable booms; depressions, as we know, resulting from too little money coming into the markets to buy goods offered for sale; booms or inflationary periods resulting from too much money coming into the markets to buy such goods.

Now, where is it supposed a government in a Social Credit society is to obtain the money required to establish and maintain this free flow of credit? It is a certain thing that no government we have ever had in Ottawa, in the Dominion of Canada, and no government they have had in Washington in the United States, has ever been able to establish a free flow of credit with the devices they have used.

Now to explain where the money could come from. Let us recall that the constitutions of both Canada and the United States empower the government to create the nation's money just as actually the royal mint at Ottawa stamps out Canadian coins, nickels, dimes, quarters and fifty cent pieces. The Canadian constitution, the British North America Act, under section 91 gives the parliament of Canada exclusive legislative jurisdiction over, first, currency and coinage under subsection 14; second, banking, the incorporation of banks and the issue of paper money under subsection 15; and third, legal tender under subsection 20. These three powers are all that are required to enable the government of Canada to create in Canada all the money which the resources and the production of Canada will justify.

The United States constitution, article I, section 8, paragraph 5, states in part:

> Congress shall have power to coin money and regulate the value thereof.

What use has Canada made of this constitutional power thus vested in her federal government? We have had two or three cases in which successful attempts have been made. Under the Finance Act of 1914 the Canadian minister of finance, Sir Thomas White, created scores and even hundreds of millions of Canadian dollars. In the period from 1914 to 1917 he created $26 million Canadian and spent them in the conduct of the war. They were not funny money either, nor rubber dollars. We will find the record of what I have just said on page 22 of the report of the royal commission on banking and currency in Canada, published in 1933.

In 1917 Sir Thomas White created $50 million and used it to buy Canadian grain and other products for Britain, those dollars being backed up by imperial treasury bills. An account of this transaction will be found at page 22 of the report to which I have referred already. Altogether he created more than $1,200 million Canadian during world war I and advanced it to Britain to purchase in Canada foodstuffs, munitions and other products for the conduct of world war I. This will be found recorded at page 85 of the report of the royal commission on banking and currency in Canada.

Sir Thomas White, in his memorandum of dissent signed at Ottawa on October 3, 1933, as reported at page 85 of the report, positively declared.

> But there was on the part of the government no "policy of inflation."

It is a favourite lie used by Liberals and Conservatives all over Canada to speak of Social Credit and its use of government money as inflation. I suppose the C.C.F. do a similar thing because they do not hesitate to do all the things the other two parties do. A Social Credit government in Canada could, and most likely would, obtain money to maintain the free flow of credit from exactly the same sources that supplied Sir Thomas White with much of the money with which he financed Canada's relatively colossal war effort in world war I.

Canada's finance minister, Sir Thomas White, through the use of a specialized financial agency entitled the Finance Act of 1914, created the Canadian dollars he needed, first, to stimulate the development of Canadian production of goods and services and, second, to market those goods and services to advantage. A Social Credit government in Canada, likewise through the use of a specialized financial agency, a national monetary commission, would create the Canadian dollars needed, first, to stimulate Canadian production in accordance with the desires of Canadians; second, to enable Canadian producers to market their production and, third, to enable Canadian consumers to obtain and enjoy that production, attaining an ever and ever higher standard of living and of security.

Everyone today is wondering about the tremendous impact which the discovery and employment of atomic power is going to have on the production of goods. Everyone is realizing the almost appalling efficiency of great modern machines such as those described, if I remember rightly, by the hon. member for Winnipeg North (Mr. Stewart) last night. Surely everyone must be concerned about what is going to happen as a result of the enormous increase in production unless some means are developed whereby the people will be able to partake of the production after it is brought into existence.

Anyone who takes the time to be realistic at all knows that it will be utterly impossible to obtain money by taxation with which to enable the people to buy the goods produced by these great machines and through these remarkable technological skills. We might just as well face that fact and be honest. Every one of us should remember that when he is out on the platform talking to the people. The time has come when the people of Canada have a right to be told the truth, no matter what it is, by the man standing on the platform.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Blackmore: Mr. Speaker, before the house took recess I was discussing the Social Credit free flow of credit proposal, and how money would be obtained with which to support the free flow of credit. I pointed out that the method whereby Social Crediters would obtain money would closely resemble the method whereby Sir Thomas White obtained millions of dollars through the application of the Finance Act of 1914 in conducting world war I. I pointed out there need be no more question of the soundness of Social Credit money than there was concerning the money which Sir Thomas White used on that occasion.

Opponents of Social Credit contend that a Social Credit government's money would be unsound. "Funny money," they like to call it. But would they dare to suggest that the dollars issued under the Finance Act of 1914 were unsound? Would they suggest those dollars were funny? I think not.

What makes the Canadian dollar sound inside Canada? Is it gold? Many people think so, but it is not. It is goods and services

backed by Canadian resources, material and human, standing ready to produce and to deliver more goods and services. An excellent working definition of the dollar is this; "a dollar is a ticket to goods." Such being the case, the number of dollars the Minister of Finance could safely issue within the Canadian economy would be roughly related to the amount of goods offered for sale within Canadian markets.

Another helpful definition of a dollar is that "a dollar is a medium of exchange." Bearing this definition in mind we must recognize that the number of dollars going into Canadian markets ought to be related to the number of exchanges Canadians would be able and willing to make with each other.

These two considerations enable anyone who desires to do so to form a concrete means of judging whether there might be too much money within an economy at any given time. Sir Thomas White's Finance Act dollars were unquestionably sound because their number was consciously geared to Canadian goods and services available for the exchanges Canadians wished to make.

Opponents of Social Credit argue that under a Social Credit administration there would be issued too many dollars; "turning on the printing presses", they derisively call it. But the Social Crediters would exercise adequate caution in issuing currency and credit, both debt money to be loaned into circulation and debt-free money to be spent. Social Crediters know the fundamental facts about money, just as did Sir Thomas White. Would any informed and honest man disparagingly accuse Sir Thomas White of "turning on the printing presses"? I do not believe that expression was used in Canada until it became in the interests of certain political people to discredit Social Credit.

Opponents of Social Credit have always endeavoured to show that it would establish a dictatorship. But quite the contrary is the case. Social Credit would establish the freest state and the most fully democratic government the mind of man can conceive. Did Sir Thomas White establish a dictatorship in developing and employing the Finance Act of 1914? Even to ask that question is to be unfair to his memory and to shock almost any hon. member into serious thought.

The opponents of Social Credit will ask: "How could prices be maintained without iron controls?" I think it was the Leader of the Opposition (Mr. Drew), speaking some time ago in connection with Social Credit, who asked that question. The answer is that prices on the whole would be maintained by a scientific use of the law of supply and demand. It is the law of supply and demand that is supposed to affect prices today. By having and exercising ready, effective control over financial policy the Minister of Finance would be readily able to increase the supply of almost any commodity in Canada, thereby dealing with the tendency of prices to rise.

Some will ask, "But how could he increase the supply quickly enough to offset an inflationary tendency?" After a Social Credit government had been in operation for a certain length of time we would find that it would probably have on hand a considerable supply of many commodities, just as we find today the dominion government of Canada has on hand a considerable supply of butter, eggs, and other commodities.

I have stated several times in this house that it would be greatly in the interests of this nation to store up a good supply of different kinds of grain, sugar, honey, and other commodities of that nature so there would be reserves available in case a need arises to free certain commodities upon the market when there appears to be sufficient shortage to cause a price rise.

The Minister of Finance could manage tendencies toward falling prices by a policy of price support wherever necessary, much as we are doing in Canada today through the agricultural prices support program. He could buy and take temporary control of and withdraw from the market all unmanageable surpluses, especially of non-perishable goods such as wheat, sugar, and so forth. As I have already indicated, we have followed such a policy in Canada, and in fact we are doing so now. We had a number of similar policies during world war II. However, the device has not been used, shall I say, wholesale or all across the board, or in a general way for the purpose of being able to control prices in this country.

No one would speak of devices such as I have indicated as being "iron controls" unless he was having a nightmare. Depressions and booms could be controlled and practically eliminated by the use of Social Credit financial measures. To go into sufficient detail to establish that thesis would, of course, require far more time than is available either to anyone speaking in this house or to hon. members listening. One has simply to study the whole science of Social Credit with a desire to learn the truth concerning it.

At the same time these measures I have indicated would be used, there would be, as potent aids to the Minister of Finance in his endeavour to control prices both deflationary and inflationary, two other Social Credit financial devices, namely the just price and the national dividend. The just price is obtained

or determined quite scientifically by reference to two considerations. The first is that the aim would be to give the producer the cost of production plus a just profit. The other would be to use what is called the just price factor. I have not time to go into the details pertaining to that matter, but it is fully understood by those who endeavour to learn. The just price factor would enable those managing the economy to determine what should be the compensated discount on prices to bring them down to the place where they ought to be. There would be no dictatorship, no iron controls involved. In fact I think we would find that a large percentage of the control would be exercised by the various elements in society itself.

The labour unions are exercising more and more influence in the conduct of the affairs of the nation, and they are going to do so in the days to come. As they realize that they have more and more responsibility for their own well-being as well as for the well-being of all other members of the state, we shall find that they will become far more enlightened and purposeful in all their moves. They will play a considerable part, I believe, in determining economic policy, much as they are doing today.

The Canadian Manufacturers Association are also exercising a potent influence. Other elements of society will exercise a potent influence too, and in due time they will find that, rather than fighting each other, it will be greatly to their advantage to sit around a council table, talk matters over and decide how big the pie is that is to be divided up and how large a part each of them ought to have, and proceed to determine a means whereby each can obtain his equitable share. This is not at all beyond the realm of possibility. In fact even today proposals are being made which are rather far-reaching. One of them was referred to last night by the hon. member for Winnipeg North (Mr. Stewart).

The national dividend is a means of introducing into the economy of the nation enough purchasing power to enable the people consuming to buy the produce which is on the market. That is, if it is discovered that there is a surplus, issuing the national dividend would be another means of absorbing that surplus and preventing it from causing a fall in prices. Surely anyone who desires to face facts—as I am sure every member of this house today realizes we must—ought to be able to see that there is no element of dictatorship in all of those measures.

Opponents of Social Credit will object that Sir Thomas White's dollars under the Finance Act of 1914 were backed by gold, while Social Credit dollars would appear not to be backed by gold.

Mr. Murphy (Westmorland): What are they backed by?

Mr. Blackmore: The goods and services of the country. That is what they are backed by now. Why do you not listen to what I say?

Mr. Murphy (Westmorland): I listened but I do not understand it.

Mr. Blackmore: Then why do you not pay attention? You never will understand it when you do not get all the particulars. I have just told you that the backing for money today is goods and services. How long will the value of the dollar be maintained, we will say, in buying potatoes if we run short of potatoes? How long will the value of the dollar be maintained in respect of apples if we have a shortage of apples, or how long will the value of the dollar be maintained if we have a great surplus of potatoes or a great surplus of apples? That consideration alone is enough to show that the thing that gives the dollar value is the goods and services available to buy with the dollar; that and the price structure, which of course we have been discussing the means of maintaining in the part of my speech which I have just recently finished giving.

Mr. Murphy (Westmorland): I missed it.

Mr. Blackmore: You just missed it. I am glad you admit that. It is not easy to get these things. I realize that fact. I had to learn these things. It is just about as difficult to learn the fundamentals of Social Credit as it is to learn trigonometry. A person does not learn trigonometry in class by just going and sitting there, especially if he makes up his mind that he is not going to learn it.

Opponents who feel that Sir Thomas White's dollars were all backed by gold will do well to turn to the report of the royal commission on banking and currency in Canada, published in 1933, to which I have already referred. If they will turn to page 21 and read paragraph 46 they will learn that even in 1913, before the introduction of the Finance Act of 1914, the men of those times considered it safe to permit the minister of finance to issue $30 million of notes under the Dominion Notes Act with a backing of accepted guaranteed debentures.

This fact shows quite clearly that they saw that gold was not necessary to support the

value of a dollar, even back there before they suspended the gold redemption clause in 1933. Those who think that Sir Thomas White's dollars were backed by gold will also do well to read in the report of the royal commission an item to be found at page 22, dealing with the issue of the $50 million to buy goods for Britain. Those $50 million, it was specifically stated in the report, were backed by British treasury bills. Certainly those British treasury bills by no stretch of the imagination meant gold. Britain might have seen fit to clear them off with gold, but generally speaking those treasury bills meant goods and services to be delivered at a later time.

Let those who still think that possibly there was a gold consideration quite prominent in the support of Sir Thomas White's dollars remember that the Bank of Canada's dollars can be supported with bonds just as with gold.

Mr. Low: And are.

Mr. Blackmore: And are, as the hon. member for Peace River says. When we begin to consider all matters of this kind we shall find that Social Credit is not nearly as hare-brained as a good many of its ardent opponents would have people believe. The simple fact is that Social Credit means the scientific solution of the difficulty we are in. It is well for us to know that. It just happens that the men who are guiding the propaganda machine in the Dominion of Canada do not want the people to get to understand Social Credit, because they know that if Social Credit is introduced they will no longer be able to exercise the control they now exercise over the destinies of Canada. Incidentally, they are exactly the same gentlemen who are the originators of communism.

Some hon. Members: Oh, oh.

Mr. Blackmore: Of course there were times when I was sufficiently uninformed to think in that way also, but you grow wiser if you study in the right places. The trouble with a number of us youngsters is this. We do not know very much about who are behind communism. Just let us get to work and find out. We shall be quite astonished.

I am sure every member in the house has been rendered really unhappy in the last few days by the number of things we have run up against for which we need a great deal of money which the treasury board says we do not have. There is no one in the house who is not in favour of the introduction of a nation-wide housing plan which would probably produce houses three or four times as quickly and at one-third the cost of the houses we are now building in Canada. But we do not see where the money is going to come from to build houses as numerous and as cheaply. There is no one in the house who would not favour the introduction of a national hospitalization and health scheme but, while some men will rise and talk enthusiastically for political purposes for the sake of the folks back home, when such a scheme is proposed and comes to a vote they very quietly withhold their support because they just cannot see from where the money is going to come.

As far as a national health scheme is concerned, we have or soon could have all the doctors we need. There is no difficulty in training enough girls to be nurses. There certainly is no lack of materials with which to build hospitals. There is no lack of food and all the other things necessary to improve the health of our people. Why should we say we cannot have a national health scheme? The only reason is we have not the tickets for the goods. That is all. The goods and services are there but we have not the tickets. Who is to say we cannot create the tickets when we have the goods? Some time ago I said that a good definition for a dollar is a ticket to goods.

Mr. Hanna: Will the hon. member permit a question?

Mr. Blackmore: Gladly.

Mr. Hanna: Will he please explain what effect the Social Credit technique would have on taxation?

Mr. Blackmore: In the first place I would say that it would so greatly increase the well-being of the nation that the tax burden we are now bearing would seem to be relatively easier. Everyone knows that in times of buoyant revenues, buoyant incomes and so forth, as at the peak of prosperity in the war, it was easier to bear taxation. But the answer I would give, without going into too much detail, is that Social Credit is opposed to high taxation and would endeavour, just as rapidly as the goods and services produced in the country would justify, to remove the debt. The debt can be easily paid off. Sir Thomas White could have used any $100 million that he created to pay off $100 million in bonds just as easily as he could have used the money to buy $100 million worth of wheat and other commodities in the war.

The result is that if the time came when a Social Credit administration felt that the wisest use to be made of a given amount of money obtained from monetizing goods and services was to pay off the debt, then by degrees it could do so by simply monetizing,

as Sir Thomas White did, the goods and services of the country and paying off the debt. Taxes would thereby slowly be reduced until the time would come—I will not say how many years it would take; it would depend on conditions, but I would say within a rather comfortable period—when taxation could be abolished entirely.

Some hon. Members: Hear, hear.

Mr. Blackmore: That may sound very glowing.

Mr. Byrne: Fantastic.

Mr. Blackmore: But when you remember the tremendous increases in machines and technological skills, the tremendous wealth there is in their output, the tremendous amount of services that are becoming available and will become available; when you remember that you can pay off the debt with goods and services, hon. members must realize that in a nation so bountifully endowed as Canada is with resources of all kinds it is quite ridiculous to think of having a perpetual debt and heavy taxation. The hon. member probably has part of the answer there, so perhaps I might go on to another point. If he wants to ask me another question I will be pleased to answer it.

Everyone in Canada would like to have fine roads. Probably there is no country that needs roads more than we do, or more of them. We have everything necessary for the construction of roads. We can manufacture the machinery. We have all the materials and every single thing that is necessary to make first class roads. The only thing we lack is these tickets, and Sir Thomas White showed quite clearly in the Finance Act of 1914 that they could be made and that as long as their number was kept reasonably within the amount of goods and services available they would cause no inconvenience at all.

Everyone would like to have more irrigation. Everyone would like to have the means to support the unemployed. But though we have all the goods and services necessary, food, clothing, shelter, everything you can name, to support the people in a high degree of comfort, yet we say we have not the money. I should think that would make anyone who came here from Mars or some other place, where they are not hypnotized the way we are, laugh until he was almost beyond self-control.

Let us bear in mind that up to the present time there has not been advanced in this house a hint of a solution of the problem. Two or three of our good C.C.F. friends have held forth in the most impressive terms about the difficulties confronting us. They have pointed out that the Liberals have no solution and the Conservatives have no solution. They have let us assume that they have a solution, but they have not shown how their ideas would provide a solution to the difficulties. Suppose we take the great machine the hon. member for Winnipeg North (Mr. Stewart) was talking about yesterday. Suppose it becomes many times greater, throwing people out of work by the thousands and increasing the productive capacity of industry many times so that the people could not get nearly enough work to obtain wages with which to buy the products of the machine. Suppose the government took over that machine. Would that help to put more men to work? Would it help to put any more money into their hands? Would it help to create and sell more goods?

That is the only solution the C.C.F. have, just government ownership. Surely we must expect these earnest men in the C.C.F.—and they are earnest men—to be quite realistic and up to date in their thinking, and not expect us to believe things which they have not proved.

Mr. MacInnis: May I ask my friend a question?

Mr. Blackmore: Gladly. I shall be delighted to have my hon. friend ask questions.

Mr. MacInnis: The hon. member suggests that the C.C.F. should not be expected to try to make him believe things that have not been proved. Does that apply to what he has said tonight?—because it certainly has not been proved.

Mr. Blackmore: I wonder whether the hon. member came in too late—

Mr. MacInnis: Oh, no; I was here all the time.

Mr. Blackmore: —to hear what I said about the Finance Act of 1914. Here is a fine little book which I suggest the hon. member should read. This little book is the report of the royal commission on banking and currency in Canada. It gives all the information necessary for a man of half the intelligence of the hon. member for Vancouver-Kingsway (Mr. MacInnis) to understand what I have said.

Mr. MacInnis: Is it easier than trigonometry?

Mr. Blackmore: Yes, it is easier than trigonometry. Otherwise I am sure I would not suggest it to the hon. member.

Mr. MacDougall: You asked for it, Angus. You have got to read it now.

Mr. Blackmore: I hope to come back later and say a little more about this subject. I think that is probably enough for one lesson.

(*Translation*):

Mr. Rodolphe Leduc (Gatineau): Mr. Speaker, I wish to offer you my best wishes at the beginning of this new year and to tell you how much I admire your industry, your authority, your impartiality and your thorough knowledge of parliamentary procedure.

I wish to congratulate the hon. member for Verdun (Mr. Leduc) who moved the address in reply to the speech from the throne. His speech was remarkable and has ranked him among the most eloquent speakers of this house. And I wish, Mr. Speaker, to congratulate the hon. member for Trinity on the able speech he delivered in this house when seconding the motion for an address in reply to the speech from the throne.

I also wish to point out the important role played by my predecessor, Mr. J. C. Nadon, in this house and more particularly the numerous services he rendered to the county of Gatineau, as member of the legislature and as mayor of the village of Maniwaki, which office he held with great ability and initiative during many years. His memory will live forever among his constituents.

I also wish to congratulate Notary Leon J. Raymond who succeeded me as member for Gatineau in 1945 and who now occupies the important position of Clerk of the House of Commons. This is an honour which reflects not only on him and his family, but also upon the riding which elected him as its representative.

I also wish to congratulate the right hon. the Prime Minister (Mr. St. Laurent) for the excellent appointments he made when he chose the Hon. George Marler as Minister of Transport and the Hon. Roch Pinard as Secretary of State. They are both men of great ability, and I wish them the success they deserve in the fulfilment of their duties.

I wish to thank particularly the voters of the county of Gatineau who have done me the honour of electing me to represent them in this house. This is a great honour, because the county of Gatineau is one of the most beautiful in this country, and an important part of this riding is included in the national capital area. Two-thirds of its population is composed of Canadians of French extraction, and one-third of citizens of English origin. It is a hard-working, intelligent and progressive population, composed mainly of farmers, settlers, lumbermen, civil servants, technicians, teachers, tradesmen, industrialists, etc. Bonne entente and harmony exist between the various racial groups, and they are all justly proud to live in the beautiful county of Gatineau.

My riding is bounded on the west by the Ottawa river and extends to the limits of the counties of Pontiac and Montcalm. To the east lies the county of Labelle, and to the south the county of Hull. Agriculture, forestry, the tourist industry, mining, hydro-electric developments and small industries constitute the main sources of revenue of the inhabitants of this county.

In the southern district of my riding, agriculture is prosperous and farmers enjoy good markets for their produce. In the upper regions and along the Lievre, farmers are organized in agricultural co-operatives, but as they are farther away from large centres, their agricultural industry is less profitable. The farmer, however, appreciates the endeavours of the Canadian government to assist agriculture, and agricultural price support is a great help to farmers.

The farmers in my county are not exclusively interested in agriculture; particularly during the winter months they engage in commercial lumbering on the farms. Lumber and plywood are the most remunerative because the market prices for these are high and there is a great demand for those products; but I cannot say the same concerning the sale of pulpwood, namely spruce, fir and poplar, which are purchased by the large pulp and paper firms. Three large companies purchase pulpwood from farmers and settlers in my county, the E. B. Eddy, of Hull, the Canadian International Paper whose mill is at Gatineau Mills, and the James Maclaren Company's pulpmill at Masson. The price which these companies pay for pulpwood is ridiculous when compared to the price of newsprint and other paper and of building materials made of pulp which are sold by those companies. Such low prices are paid to farmers and settlers because there exists a combine between these companies which exploit the farmers and the settlers to their advantage, and unfortunately this combine has been going on too long.

The Catholic farmers federation of my riding and the representatives of the agricul-

tural co-operatives of the northern section of my county have asked me to condemn this combine so that they may obtain a fair and equitable price for the pulpwood which they sell yearly to those companies and which amounts to an average of one hundred thousand cords per year.

It is my duty, as a member of parliament, to protect and defend the interests of my constituents, and it is particularly my duty to protect the weak and the poor against those wealthy companies which are necessary and to which the province of Quebec has granted very generous forest and hydroelectric concessions so that they may help lumbermen, settlers and farmers, and not exploit them solely to their own benefit.

I would like the essential role played by the lumbermen in the important wood industry to be better known and appreciated. Most of these woodsmen are sons of farmers and settlers in my riding. They are proud people, gay, courageous, intelligent, dexterous and gifted with a surprising physical strength. The woodsman is an untiring worker. He leaves his family and home during weeks and months for the exile of the forest, and he works hard, not eight hours a day, but from morn until night, six days a week. The woodsmen work often under very difficult circumstances, in rain, snow, mud, etc., and they are often exposed to fatal accidents in the performance of their daily duties. They have no union and they are not paid the salary which they deserve for the important work they perform. They are the ones who, in the forest, supply raw materials to the factories. They deserve our highest admiration. They deserve higher wages and it is about time that the large paper companies should understand the importance and the social role of these honest people and pay them fair wages.

I hold no grudge or personal spite against these companies and even less against their employees, particularly those of the Maniwaki office of the Canadian International Paper, whom I know personally and who are honourable citizens and devoted servants of their company. I am in favour of private enterprise, but I am against abuse by capitalists, and it is the duty of governments to curb the infringements of certain large corporations who are only interested in making profits without bothering about social justice.

The prices paid to farmers and settlers for spruce and fir—$13.50 per cord delivered on the Gatineau or Lievre rivers, the greatest part of those companies' lumber being floated on those two rivers down to the mill—are lower than the prices paid by the same companies to contractors who cut wood on the forest reserves of these companies. Some contractors of the Canadian International Paper and the James Maclaren Company on the Lievre river receive much higher prices to cut the wood on the reserves of those companies. If, to the prices paid the contractors to cut pulpwood on the company reserves, you add stumpage dues, protection against forest fires and general overhead expenses, you obtain an amount far above $20 a cord; and yet, the companies agree to give only $13.50 to settlers and farmers for their wood.

I know that these same companies purchase every year in my county over one hundred thousand cords of pulpwood from settlers and farmers, and were they to pay the price which they should equitably pay, the settlers and farmers would receive each year hundreds of thousands of dollars more.

There is one brutal fact to be noted: the higher the prices received by the companies for their newsprint, the less they pay settlers and farmers for pulpwood. The following figures are supplied by the federal bureau of statistics to support those statements:

Year	Price per cord (fir and spruce on the Gatineau and Lievre)	Average value of a ton of paper at mill
1951	$15.00	$101.48
1952	14.50	105.22
1953	13.50	110.05
1954	13.50	110.03

Hardly surprising, then, that these poor settlers and farmers, when they realize that they are being exploited every year and that they have not the necessary means to fight adequately such a monopoly, become disheartened and abandon their farms.

Fortunately, there is a federal law, the Combines Investigation Act, which was introduced and passed by the Liberals and which protects the weak against exploitation by monopolies.

This is why I am asking the Minister of Justice to start an investigation immediately, under the Combines Investigation Act, on the operations of the three above-mentioned companies.

(*Text*):

Mr. George H. Hees (Broadview): Mr. Speaker, according to the latest figures produced jointly by the dominion bureau of

statistics and the federal Department of Labour, unemployment in November last was 42 per cent greater than in November of the year before. Each month in the past year we have seen a very marked increase in unemployment over the corresponding month of the year before; but, hard as it is to believe, despite these facts there is no indication whatsoever in the speech from the throne that this government has any plans for correcting the basic causes of unemployment.

In the speech from the throne suggestions are made that changes will be made in the Unemployment Insurance Act, and in fact yesterday we passed a bill which made some necessary changes, which have been suggested for two or three years past by the official opposition, increasing the rates of supplementary benefits and extending the minimum period of payment.

The government also suggested in the speech from the throne that the public works program would be accelerated; but, as I have said, despite the fact that in every month of the past year unemployment was a great deal higher than in the corresponding month of the year before, there appears to be no indication whatsoever of any plans which this government has for correcting the basic causes of unemployment. It seems that this government intends to persist in its policy of "hope and grope" for the answers which it never does seem to find.

We must ask ourselves whether we are going to look at this thing constructively. What are the reasons we are experiencing considerably more unemployment than a year ago? I believe there are two main reasons. First of all, we may as well face the fact that producers in other countries are beating Canadian producers in price or design or both. They are moving into our domestic and export markets, and their products are receiving ready acceptance among buyers who formerly were quite content to buy Canadian products.

I believe the second reason is the high taxes we are paying. These have added considerably to the selling price of the goods we produce, and are helping very materially to price our goods out of both the domestic and the export market. In addition to the high commodity taxes, the high income taxes that we are all required to pay are making it increasingly difficult for people to buy the goods we are offering for sale. Tonight I should like to examine each of these causes in turn.

First of all, let us have a look at what other countries are doing to lower their costs and improve their designs so that their steadily increasing sales make it possible for them to take advantage of mass production methods, which in turn lead to lower costs and enable them to sell more and more goods in competition with us in both our domestic and our export markets. These increasing sales of other countries are the main reason Canadian workmen are being laid off and going on short time.

In order to get some idea of what other countries are actually doing, it is only necessary to take a look at their production figures. Take, for instance, Britain. Despite the fact that Great Britain had to make a complete conversion from wartime to peacetime production, Great Britain is turning out 175 per cent of her production in 1938. Despite the fact that West Germany had to rebuild from the rubble of 1945, today that country is producing 170 per cent of the total production of all Germany in 1938. That will give the house some idea of the kind of production effort that is going on in Europe today. The same story is true in varying degrees in France, Italy, Switzerland, Belgium and Holland, and it gives us some idea of the kind of competition we are up against.

Because of the need for those countries to replace a great deal of their industrial plant, they have had of necessity to put in a great many new machine tools. Thus they are able to produce a wide variety of new designs in almost every type of production they have embarked upon. Their almost unbelievable urge to rebuild and produce at the same time has made them willing to work long hours and increase their efficiency to a point where their costs, in almost every instance, are well below ours.

One of the main factors, Mr. Speaker, in this tremendous industrial progress in Europe, in fact also in Japan and in the United States, has been industrial research, aimed at discovering new products and developing new designs and more efficient methods of production. These industrial research programs which have been carried on in these countries have been undertaken on a very large and important scale, and I think it is obvious to every one of us that if we here in Canada are going to keep pace with our competitors, we must embark on a research program of a comparable nature.

It was with this in mind that, at the last session, the hon. member for Lambton West (Mr. Murphy) introduced a resolution urging this government to set up a committee which would include representatives of management, labour and the educational institutions, and would examine the possibilities, and best means of operation, of a greatly

expanded industrial research program. In its work this committee would be guided very largely by the experience in Great Britain and the United States in setting up similar committees, and developing similar programs. But though this suggestion was favourably commented upon by newspapers of every political leaning in almost every part of this country, and though it was favourably commented upon by industrial and labour leaders from coast to coast, this government turned it down.

It did it by very skilfully seeing to it that on a certain day, at a certain time when this measure was to come up for discussion, private members' bills and resolutions were cut off just before this resolution was due to come forward. This was not just by chance. It was, I believe, because this government knew this resolution was something it could not afford to vote against, and it simply could not bear to see a good and a very much needed measure brought in by the opposition with the opposition receiving credit for it. So, despite the fact that this measure was badly needed, the government, I believe, saw to it that it could not be brought forward.

This year the hon. member for Lambton West has introduced the same resolution; and though I am sorry to see that the government did not have the good sense to introduce this as a measure of its own in the speech from the throne, I hope they will at least allow this measure to come forward this year, and will vote for and adopt it.

The second matter with which I would like to deal tonight is the question of high taxes which are making it very difficult, if not impossible, for certain of our products to be sold both in the domestic and the export markets. This government has always taken the attitude that if you reduce taxes you will lose tax revenue. I say that is by no means necessarily correct, and a very good example of this was shown in the case of the cigarette tax a couple of years ago. The government materially raised the tax, and the consumption of cigarettes dropped off so badly that the total tax revenue decreased to such an extent that the government had to lower the tax again. Then the consumption of cigarettes went up again and the tax intake was restored. If this government will adopt a sensible policy of reducing commodity taxes materially, more of these commodities will be sold, and I believe the total tax revenue will very likely be as great as, or perhaps even greater, than it was before.

Another thing which this government can do is to materially reduce the income tax, because a reduction in the income tax will make it possible for more people to buy more goods. Because of the increased consumption of goods, I believe the loss in tax revenue can easily be made up by more people being employed in producing goods and thereby earning incomes on which they will pay tax, instead of drawing on the government in the form of unemployment insurance benefits. I believe these tax reductions will make it possible to sell more products both in the domestic and the export markets, and will go a long way toward putting a great many of our workmen back at work.

And now, I would like to give an example of how I think industrial research can help establish a new industry. I am going to speak tonight about the potential oil and gas industry in western Canada. We all know that in Alberta, and to a lesser extent in British Columbia, Saskatchewan and Manitoba, we have enormous reserves of gas and oil. In recent years more than $5 billion worth of these reserves have been proved, and we know these are only a small fraction of the reserves which are confidently believed to be present in these areas.

If the incentive for exploration is continued by opening up additional markets, and if that expansion is accompanied by a comprehensive and continued program of industrial research to develop better techniques for processing oil and gas products, I believe we can develop a by-product industry which will be of tremendous importance to western Canada. This will lead to the building of literally dozens of sulphur, chemical, and petrochemical plants, which will require hundreds of millions of dollars worth of capital investment, and will create employment for many, many thousands of Canadians.

In addition to this by-product industry, this would lead to the development in western Canada of a very important steel industry which would use Canadian iron ore as well as coal and gas, and could produce steel pipe and steel casings to be used in thousands of miles of Canadian oil lines across the prairie provinces, and in many Canadian oil wells.

Another example of what research might do to lead to the greater utilization of raw materials would be the development of a more efficient method of producing by-products and hydroelectric power from coal. This could prove very important to Nova Scotia and to western Canada, where our deposits of coal are extremely important indeed. The production of cheap electric power from coal will attract industries to those areas, where industries are badly needed. We all know that industry goes to power; and if we can produce cheap power in those areas, industries

will go there, because it is advantageous to them to locate in areas of that kind. Plants which are producing in central Canada at the present time will find it advantageous to put branch plants in the west and the maritimes because their cost of distribution of goods in those areas will be far less than if the goods are produced in central Canada and they have to pay the long freight haul to the maritimes and the west. If we can produce cheap by-products from coal, this will lead to the building up of important by-product industries in those areas, and they in turn will diversify the economy in those areas and make them less dependent on the primary products they produce.

We have another example of what worthwhile research can do in a large industry, in the development of new textile fabrics which would create additional sales for an industry which is hard-pressed at the present time. If, in addition to new textile fabrics, more efficient methods of production were developed, then we could lower our costs and regain our foothold in the competitive textile market.

We have here in Canada an ideal opportunity for tremendous industrial expansion which staggers the imagination. We have almost unlimited supplies of practically every raw material required in industry. We have almost unlimited sources, and potential sources, of hydroelectric power and almost every mineral one can think of, and we can produce enough food in this country to feed several times our present population. We have the capital, and we have proved we have the ability to attract more from outside, without which it would be extremely difficult to carry out large scale expansion. But even more important we have in Canada the brains which are necessary to carry out an expansion of this kind.

This expansion would be greatly aided, I believe, if we did some of the things I have mentioned. We should first of all set up a parliamentary committee to examine the possibility and best means of operating a greatly expanded research program. Second, we should reduce the high taxation which makes it very difficult to sell our products competitively in world markets. If we reduce these taxes we can thereby attract capital for new industry, bearing in mind that unless capital is attracted these new industries simply will not get started.

I would therefore urge this government to stop thinking of curing unemployment merely by making adjustments to the Unemployment Insurance Act and accelerating our public works program, necessary though those measures may be. The problem we are facing requires far sterner measures. Unemployment is the barometer of economic progress within a country, and when it increases by anywhere from 40 to 100 per cent over the corresponding figures for last year it demonstrates that we are not nearly as healthy economically as we should be. Our exports are down; our domestic sales are down. Any businessman will tell you what difficult competitive conditions he has to face.

This government owes it to the country to give a lead in overcoming the basic causes of unemployment. I have suggested two measures the government could readily adopt. I sincerely hope the government will take some heed of what I have said, and give the measures I have suggested some very serious consideration. We in opposition, however, are well aware that this government finds it difficult to accept our suggestions and get moving.

In dealing with the worrying question of unemployment, I think the government should make quite certain that the money it spends in providing employment, and which it has indicated it is going to spend on increased public works, is spent wisely and productively. I believe the government would do well to study the program about to be undertaken by the government of the United States, which is a very large road-building program. I can think of no kind of public work which is more necessary in terms of expansion and development than a well conducted road-building program, because highways play a vitally important part in industrial growth.

I am not suggesting for one moment that the government should embark upon a highway building program. That, as we all know, is the function of the provinces. But the government could place a large proportion of the money it intends to spend on public works in the hands of the provinces, to enable them to undertake a large scale road-building program. Such a program would provide jobs for tomorrow as well as for today, and it would also provide constructive and profitable employment.

The government could also provide employment for many thousands of Canadians for several years ahead by making it possible for more people to buy new houses. The high rate of down payment and high interest charges have today put new houses right out of the reach of the average Canadian. If the government will reduce the down payment to a flat 10 per cent, instead of the present 15 per cent required on the cheapest N.H.A. home, it will make it possible for the average Canadian to make a down payment on a new house. The government should also

reduce the interest rate and bring it closer to the rate it pays the people of Canada for the use of their money. People might then be able to afford the carrying charges on new homes.

The suggestions I have put forward would not cost the taxpayers of this country one single cent, and their implementation would mean the provision of useful and constructive employment for thousands of Canadians. It would also enable the builders of this country to construct thousands of additional homes which are very much needed. I might add in conclusion that the construction of new highways and new homes would provide us with useful national assets for the future, and I would urge the government to give this serious consideration.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, before I came to Ottawa I listened to a number of throne speeches, and having listened to two in Ottawa I am struck by the fact that they have one thing in common. That is that they tend to devote a great deal of their time to telling us what we have already read in the newspapers. One might also imagine the assumption was that members of parliament not merely look but actually are illiterate.

For instance, we were told that we were hosts here in Ottawa to the Colombo plan consultative committee. Most of us, I think, were already well aware of that fact. But I was interested in noting that the government did not have the temerity to put in His Excellency's mouth the information that we were going to increase our grant by the magnificent sum of $1 million. Possibly the luncheon cheque for the consultative committee that the government presumably picked up was too high to allow us to do anything more generous than increase it by $1 million.

Of course, we hear rumours as to why our contribution to that plan is being held within such strict limits. A very well known Canadian editor suggested a few weeks ago that there were elements within the Liberal cabinet which were anxious to deal perhaps more practically and generously with this problem of the development of Asia than certain other members of the cabinet. In fact, it was suggested in that broadcast that a certain well known avuncular figure in this country was actually the Mr. Scrooge who prevented Canada from contributing more generously.

When I heard that broadcast I was reminded of the fact that we in Canada have had a considerable amount of debunking of legendary figures. We had Dr. Brock Chisholm, of course, who got into trouble in debunking Santa Claus. Now we have editors and parliamentary critics pulling the whiskers aside from Santa Claus and showing behind them a much sterner and less benevolent figure than is usually presented to the public of Canada. All in all, if this goes on Canada is going to be in a bad way for fairy tales. We shall have no avuncular figure, no Santa Claus; we shall have just hard, cold, cruel facts in a hard, cold, cruel political world.

Before the throne speech was finished, after going half-way through telling us what we already knew, it began to embark on mild prophecies for the future. It starts first of all with the government's projected increase in the war veterans allowance. I suppose everyone in this chamber was greatly relieved to hear that. But do you remember, Mr. Speaker, the number of speeches made in this chamber urging this very same government—and it is the same government, except for a few defections in the meantime—to implement some improvements to the War Veterans Allowance Act, and how we were told it could not be done? I wonder whether our new Minister of Finance (Mr. Harris) would care to stand up in the house and tell us that we can afford it this year but we could not afford it last year? Or is the explanation perhaps a rather grimmer one? Is it that the problem of war veterans year by year becomes a less expensive financial proposition for the Canadian people to carry? If that is the case, all I can say is that the government should be consistent and go on refusing, and the problem will solve itself.

Again, of course, one heard last year that the same restraining force operated in the cabinet to prevent that generous action which is now being taken. It may or it may not be true. However, we know that many of those who would have benefited last year if this government had taken this action will not be with us this year to benefit from it. That is something I think every member of the Liberal party should search his conscience about. Every member of the Liberal party should bear in mind the fact that there were many veterans who would have benefited last year but who are now no longer with us to take advantage of this proposal.

We have another prophecy of action on the part of our government in the future, which action we have already taken in this chamber. That is, of course, the improvement to the Unemployment Insurance Act, if indeed "improvement" is the word we should use. There has been a slight relaxation of the terms of that act in order to deal, over a short period, with the problems it is meant to cope with.

Again we have a strange spectacle, Mr. Speaker. I also remember the number of speeches that were made last year in this chamber urging this self-same government to take this action at that time. One can only conclude that the hon. member for Vancouver-Kingsway (Mr. MacInnis) was correct the other day when he suggested that the reason the government has now decided that something must be done is that there are more voices raised in protest this year than there were last year; and of course the more voices that are raised in protest, the more political danger there is for our government. So again we have a question of the government being pushed after delaying for one year, and offering no logical explanation now for dealing with this problem that was also with us last year.

When I see the way in which they deal with the unemployment problem I am rather reminded of the old gag they used to have about the Russians who were being pursued. This was in the days before the bolsheviks, in the days of the grand dukes and the troikas. You remember they were being pursued by wolves and the watchword was "throw out another baby". Of course, eventually they came to the end of the babies and the wolves were snapping at their heels. In spite of all the mild palliatives in the Unemployment Insurance Act, I suggest that the wolves of economic depression will still be snapping at our heels next year or in fact before next year rolls around.

During the course of this debate one suggestion was made which interested me greatly. That was the suggestion by the hon. member for Spadina (Mr. Croll) to the effect that we should depart from the policy pursued by this government in this matter of housing and protect not only the lending institutions but those who make down payments on buildings under the National Housing Act. I am glad to offer my voice in support of that suggestion, although I would remind the house, and those who were members of the banking and commerce committee last year, that we raised the question in the committee last year but neither the hon. member for Spadina nor any of his Liberal colleagues thought that it was a good idea at that time. I can see no particular technical difficulties involved in ensuring that the person who purchases a house under the National Housing Act shall be assured of retaining his equity or at least his equity minus some possible deductions for rental for any term of occupancy he may have had with regard to the premises. Personally I think that can be done. But, as with all the other measures this government introduces for the benefit of the people of Canada, I suppose we shall have to wait at least twelve months before they get around to doing it.

So much for what is in the throne speech. I want to spend a few moments before I sit down on a matter that I think perhaps is of more fundamental importance to us than even these serious questions of unemployment, the plight of the war veterans and the problem of housing in Canada. Some while ago I noticed an article in a periodical for which I have not a particularly high regard, but the article was of such striking importance that I did some investigation on it in order to find out whether or not it was merely, shall we say, some loose talking by *Time* magazine.

Some hon. members have probably read the article to which I refer. It appeared last month. It was a rather disturbing article describing a paper that was read before the French Academy of Sciences by a young physicist by the name of Charles Noel Martin, sponsored by a man who is probably the leading physicist in Europe and a Nobel prize winner, namely Prince Louis de Broglie. In this paper this young man charged that there was a conspiracy of silence throughout the world as to the possible and probable results of continued experimentation with H-bombs in the world. He suggested that there were a number of extremely dangerous possibilities.

The first one he listed was the danger of permanent and deleterious effects on our climate. When I read that suggestion I remembered that just before I left England in November of last year Professor Frederick Soddy, another Nobel prize winner, had a letter in the London *Times*, in which he denounced as irresponsible those scientists who were claiming that there was no possible connection between our rather deplorable climatic conditions that have obtained over the last twelve months or so and these heavy thermonuclear explosions in different parts of the world. Professor Soddy pointed out that by means of those explosions we are doing on a gigantic scale the sort of thing that so-called rainmakers do on a small scale with their limited facilities.

This young man who presented the paper to the French Academy of Sciences pointed out that in the last two years there have been approximately ten hydrogen bombs exploded in different parts of the world, each of which is equal to from 1,000 to 2,500 times the strength of the A-bomb dropped on Hiroshima and Nagasaki. The most important danger foreseen by this young man, supported by Prince Louis de Broglie and other scientific experts, has been the danger of long-continuing or in fact permanent damage to the genetic inheritance of human beings.

Today, right here in the city of Ottawa, I was talking to a young man who is a survivor of the bombing of Hiroshima. This young man tells me that even now, ten years after the bombing, he has to report once a week for a medical check-up and a blood count. When I was speaking to him today he told me of the number of people who have died many years after that explosion, of children who were born, in some cases some years after the explosion, who have not lived to survive, perhaps mercifully, because they probably would have survived as extremely defective human beings.

I received from the Japanese embassy a document that has just been produced by the atomic bomb injuries investigating committee on the case history of one of the Japanese fishermen who was dusted, as they call it, with atomic fall-out from the Bikini trials of March 1 of last year. This man, Aikichi Kuboyama, died in September, and this document says in part:

> A series of announcements have been made from time to time by the authorities concerned regarding the incident and the unfortunate victims. Kuboyama's death, however, gave rise to a wave of charges and counter-charges, of rumours and speculations, over the treatment of the affected fishermen and the probable cause of the Kuboyama demise.
>
> There is need to clear the air of misunderstanding, and a summary of the medical facts known to date of the twenty-three victims should serve that end.

Here is what they found when they examined them, and these were examinations conducted by both Japanese and American medical men. They found that the disease was acute radiation sickness, that such external injuries as depilation—hairlessness—dermatitis, skin ulcers, pustules, blisters and necrosis were noticeable on the head and the upper part of the bodies of all patients at the time they were hospitalized.

I see some hon. members smiling over this. To me it is quite shocking that anyone can consider these appalling dangers as in any way amusing. As a matter of fact there is no one in this chamber with the knowledge to deny the actuality of these dangers. Yet throughout the world people are turning a deaf ear to those who can tell us of the grave dangers of permanent genetic damage to the human race. That to my mind, Mr. Speaker, is the ultimate blasphemy.

Men have destroyed themselves and each other with varying degrees of cruelty all through recorded history, but it has been left for this age and this generation to destroy generations yet unborn, to condemn them to being born defective physically, mentally, or both. These are real dangers, so those who know tell us.

I would not have brought up this matter if I had not had some idea of a practical suggestion for dealing with the question. I am not going to suggest anything so naïve as begging the three culprit nations to desist. The United States, the Soviet union and Great Britain can only be described as culprit nations who are persisting in these unnecessary and dangerous experiments. I am, however, taking a leaf out of the book of Bertrand, Lord Russell, the famous scientist and philosopher of Great Britain, who not long ago, you may remember, wrote an article in which he suggested a method by which the final descent into atomic war might be prevented. He suggested the appointment of a committee of scientists to draw up an objective statement of the results of atomic war.

I wish the Secretary of State for External Affairs (Mr. Pearson) were here, because I think perhaps one should occasionally wound his feelings as we did last year. I am suggesting that here is something Canada can do to retrieve Canada's rather inglorious record in international affairs in the last ten years. Here is something practical our delegates to the United Nations can do. They can move for the setting up of a committee of competent scientists, physicists, biologists, psychologists and medical men to give us a report on the probable, possible and certain results of the continued explosion of hydrogen bombs in the world.

It may be objected that we cannot find out exactly what strength of bomb has been used or is going to be used. I do not believe that for one moment. I have not the slightest doubt that every person in the world who is competent to understand—and it is a very small number of people—is fully aware of the magnitude of the explosions that have taken place in the Soviet union, in Australia and in the south Pacific. They know, at least within near enough limits, what forces they have to examine the results. I would suggest that if our delegates at the United Nations would call for the appointment of such a committee, and if such a committee were to present its report to the world, then no government would dare to continue with these experiments, which are unnecessary from the point of view of proving the efficacy of this devilish weapon whose dangers, according to those people who know, may very well result in the complete degeneration of the human species.

I think if our delegates at the United Nations were to do that it might well be that Canada's place in the niche of history would be a more resplendent one than it has been to date or will be by burying our

heads in the sand and pretending that these dangers do not exist. I offer that as a very serious suggestion to our government before the next meeting of the United Nations in New York.

Mr. R. F. L. Hanna (Edmonton-Strathcona): Mr. Speaker, like other members who have spoken before me I too should like to offer congratulations to the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne for the very fine job they have done.

At the outset I should like to make a brief reference to some events connected with the province, and particularly the city, from which I come and which I have the honour to represent. During the past year both the province of Alberta and the city of Edmonton have continued to grow and develop at a steadily accelerating pace. In every branch of that growth and development that I can think of new records have been set. The population is still growing in both Edmonton and Alberta generally, and industrialization is increasing very rapidly and along the soundest possible lines.

This gives us a growing sense of pride in our city and our province, not only because we like our community to grow and prosper but more especially because of the effect these conditions are bound to have on the economy of the whole Canadian nation. A strong and growing Edmonton and a strong and growing Alberta make for a strong and growing Canada.

These conditions of progress which we are experiencing in full measure in Alberta are, fortunately for all of us, fairly general throughout the whole of Canada. Small wonder then that we Canadians sing with justifiable and ever-increasing pride:

> With glowing hearts we see thee rise,
> The true north, strong and free.

Last fall Edmonton celebrated its golden jubilee as a city. The occasion was marked by a pageant, which gave a stirring review of the events of the past fifty years and the role of the many pioneers who have carried the city of Edmonton forward to her present greatness. To further accentuate the keynote of progress, work has commenced on the erection of a new city hall which will be a structure appropriate to the greatness of the city. I was glad that on the occasion of the dedication of the site for the new city hall two federal ministers of the crown were present, the Minister of National Revenue (Mr. McCann) and the Minister of Mines and Technical Surveys (Mr. Prudham), together with provincial and civic representatives. The presence of two federal cabinet ministers there on that occasion helped to emphasize what I have in mind, namely that progress in any or all the different parts of Canada is an enhancement of the nation as a whole.

During the present year the province of Alberta will celebrate its golden jubilee, and once again the occasion will be suitably observed. Her sister province of Saskatchewan, another gem in the illustrious array of the ten provinces of Canada, will likewise celebrate its fiftieth anniversary. Both these provinces were brought into being by the federal Liberal government in 1905, and both have achieved remarkable progress in the past 50 years. It can, I believe, be truly said of the government of Sir Wilfrid Laurier, as it was said of the original fathers of confederation: Divine Providence being their guide, they builded better than they knew.

While there is not time for me to mention, much less to enlarge upon, all the particular items which have contributed to Alberta's prosperity, I think it is only right for me to say that the greatest of these developments has been the vast petrochemical industry, which is located in the federal riding of Edmonton-Strathcona.

I believe I would be pardoned if I made reference to the well known fact that Edmonton is now the home of the famous and much sought after Grey cup. Other hon. members, particularly those from the east, may be interested in learning that all possible precautions are being taken to keep it there. Personally I can think of no finer setting for such an outstanding trophy of sport. We won it in 1954 to celebrate Edmonton's golden jubilee and we hope to win it again in 1955 to celebrate Alberta's golden jubilee.

Another outstanding event scheduled for 1955 is the completion of arrangements to bring Alberta natural gas to the cities of eastern Canada, as well as to the west coast. Both east and west already are enjoying the benefits of Alberta oil. We are glad that both will soon enjoy the incomparable service of Alberta natural gas.

And so, Mr. Speaker, the Grey cup moves west and Alberta oil and gas go east. What more tangible evidence could there be of our growing national strength in all parts of the country? What better demonstration could we have of our ever-growing national unity? This is the sort of thing which adds immensely to the strengthening of our national ties, which all true Canadians so ardently desire.

Mr. Speaker, the speech from the throne gives promise of many things that are dear

to the hearts of Canadians. It makes reference to peace, progress and humanity, all of which the government will endeavour to promote further during this session of parliament. I was particularly gratified to hear that measures are being taken to relieve the necessitous circumstances in which many of our older veterans and widows of veterans find themselves. Veterans' organizations, such as the Canadian Legion, are to be commended for keeping the plight of these people to the fore, and the government is to be congratulated on its recognition that there is need for some improvement in their situation. I am sure all hon. members will look forward with keen interest to the detailed proposals which will be brought forward later on in the matter of the war veterans allowance.

Likewise the government is to be very highly commended for its proposed amendments to the Blind Persons Act. The amendments to the Unemployment Insurance Act which we have just passed are most timely. Various measures placed on the statute books by this government for the relief of need and suffering are models of humanitarianism, and as such are strongly supported by the majority of Canadians.

Along humanitarian lines, too, is the proposal to increase aid under the Colombo plan. I find Canadians everywhere full of enthusiasm for this splendid program which our government helped bring into existence. To lend a helping hand to those in need is always worth while. To show less fortunate peoples a better way than communism is, I am sure, in our best interests as well as theirs.

I believe that all hon. members, especially those who have had some direct association with municipal affairs, will welcome the proposals to re-examine the Municipal Grants Act. Our growing development, and indeed prosperity, in Canada have produced some very acute problems for our municipal governments. Because our municipalities render services to federal government property, I have long felt that they are in justice entitled to adequate payment for those services.

Grants in lieu of full taxation on federal property would be a blessing to many municipalities which are heavily burdened with the rising costs of education. I realize that constitutionally education is a provincial problem, but I am most anxious that the federal government make some contribution to help the hard pressed municipalities of this country. I believe the real soluton to the problems of all three levels of government is to place all three of them in a financial position to discharge their responsibilities. Unfortunately for our municipal governments they seem to be the ones in the most difficult position financially, and they are least able of the three to correct the situation.

Likewise, those Canadians responsible for our municipal government will be relieved to learn of the proposal to increase the grade crossing fund. The slowing up of our commerce because of grade crossings, and the rising toll of accidents at them, gives this problem a top priority. As Canada grows the grade crossing problem also grows. I am confident that this house will act swiftly to translate proposals along this line into action. More separated grade crossings will not only reduce accidents but will give employment as well. I will admit frankly that we need more separated grade crossings at Edmonton, and we need them immediately.

As an Albertan I would like to say that we rejoice in the steps that have been taken to make the St. Lawrence seaway a reality. It may, we hope, help us with our freight rate problem, which we in the west feel very keenly. But apart from that we are convinced that this great project is in the best interests of the Canadian nation as a whole, and what helps Canada forward will surely and inevitably help Alberta, just as truly as what helps Alberta also helps Canada. Being good Canadians, Albertans encourage and support any measure that helps build a greater and a better Canada.

I would like to digress for a moment to express appreciation to two departments of the government that have recently made announcements of particular interest to my constituency. The Minister of Transport (Mr. Marler) has recently announced, in conjunction with the Minister of Mines and Technical Surveys (Mr. Prudham), a decision that will give Edmonton a new major civilian airport. Some hon. members may be surprised to hear this, since the existing Edmonton airport has become justly famous both far and wide. But things happen fast in Edmonton these days. And so it is that just as surely as we have lived up to our slogan, "Aerial Crossroads of the World", inevitably, the increasing air traffic has outgrown the crossroads. In order to maintain her role in the national economy Edmonton's famous airport finds it necessary to move to a new and larger site, just as many prosperous businesses are doing all over the country. Air transport is developing so rapidly that I respectfully urge the minister to take all possible measures to arrange for the new location as soon as possible. I urge this matter not only in the interests of the city but in the national interest as well.

The other minister whom I would like to compliment is the Minister of Public Works (Mr. Winters), who recently announced that the thriving town of Fort Saskatchewan is to have a proper post office. The thousands of people whom this new post office will serve will be most grateful for this development.

This evening we have all enjoyed, because some hon. members gave evidence of it, the exposition of the Social Credit technique by the financial spokesman for the Social Credit party. I think we can take it that the views expressed by the hon. member for Lethbridge represent the official views of the Social Credit party, since I have never heard any of their members deny those particular views that were outlined this evening. I wonder how the party leader, the hon. member for Peace River (Mr. Low), reconciles the views we heard this evening with his statement the other day that his party is the real free enterprise party. How can he reconcile a government-dictated price structure with free enterprise? I should like to hear him deal with that subject. I submit, Mr. Speaker, that he can only have a government-dictated price system under a dictatorship.

Mr. Johnston (Bow River): Give us the page and then we can read it at our leisure.

Mr. Deputy Speaker: Order.

Mr. Hanna: The theory outlined by the hon. member could only be made to work under a dictatorship.

We heard a great deal this evening about tickets, and that there were not enough tickets to go around. I should like to display a real Social Credit ticket, Mr. Speaker. It is called a prosperity certificate. These prosperity certificates, so-called, were issued by the Social Credit government of Alberta. This one is dated August 5, 1936. I should like to read into the record what it says on its face:

> The provincial treasurer will pay to the bearer the sum of one dollar on the expiration of two years from date of issue hereof upon presentation hereof provided there are then attached to the back hereof one hundred and four one cent certificate stamps.

On the back there are 104 spaces dated for the 104 stamps.

Mr. Johnston (Bow River): Perhaps you would not know it, but it fed a lot of hungry people in those days.

Mr. Hanna: There is only one stamp on this one, Mr. Speaker. Apparently the owner got discouraged after putting on one stamp, and he kept it as a souvenir and treasures it very much at the present time.

I think it will be apparent to most hon. members that it was really a gigantic taxation scheme. These prosperity certificates were used to pay civil servants. You gave a dollar's worth of service and you got one of these; and then, according to the face of it, you got a dollar when you had paid 104 cents over a two-year period. Needless to say these were not in circulation for the expected two-year period. They were rejected entirely by the people of Alberta, Social Credit and non-Social Credit alike.

Mr. Hansell: To make the matter clear, would my hon. friend care to tell the house whether any of these certificates were presented for payment and not redeemed?

Mr. Johnston (Bow River): He would not know that.

Mr. Hanna: I would like to complete my speech; then the hon. member for Macleod can continue and tell the house the rest of the story, if I have omitted anything about the Social Credit certificates.

Mr. Johnston (Bow River): What page are you on?

Mr. Hanna: Much is being said these days about the level of taxation. Most of us on this side of the house at any rate realize that if the government is to keep up its social service program and in fact keep increasing it in response to so many demands, it simply has to be paid for. I am not one of those who like my Social Credit colleagues across the way, think all we have to do is print the money.

Mr. Johnston (Bow River): On a point of order, Mr. Speaker,—

Mr. Deputy Speaker: Order. I understand that the hon. member for Bow River is rising on a point of order.

Mr. Johnston (Bow River): Is it permissible for hon. members to read their speeches? If the hon. member is reading his, would you be kind enough to direct him not to do so? I am asking for a ruling.

Mr. Deputy Speaker: All hon. members know that it is not permissible to read speeches in the house. All hon. members also realize that from this distance it is impossible for me to ascertain whether an hon. member is reading his speech. I must rely on the hon. member who has the floor, and I am sure if he continues he will have given me his assurance that he is not reading his speech.

Mr. Johnston (Bow River): I am sure he would never tell you he was reading it.

Mr. Hanna: If we can with safety spend less on national defence, or if through increased efficiency we can lower the cost of

government, or if by any other reasonable means taxation can be lowered, then I am all for it.

I would like to congratulate the new Minister of Finance (Mr. Harris) on his appointment. I am sure all hon. members earnestly wish him much success in the very difficult job he has in hand. The hon. member for Lethbridge certainly made it look easy for him this evening. We would print enough money to pay off the national debt, and we would eventually abolish taxation. It is a neat trick if it can be done.

I am glad, Mr. Speaker, that the speech from the throne gives no encouragement to the prophets of gloom who somehow or other always manage to see troublous times ahead. We have a lot of these people forecasting blue ruin for us today. The opposition parties seem to be always speaking in that vein, both in the chamber and out of it; but in spite of what they say Canada has prospered mightily during the last 20 years of Liberal government. This government, under the inspiring leadership of our great Prime Minister, is solidly based in the hearts and minds of the Canadian people. I venture to predict it will stay there as long as the opposition parties have nothing better to offer the Canadian people than gloomy forebodings of the future, or some government-dictated economic system that would inevitably and certainly deprive us of our freedom.

(Translation):

Mr. J. W. Dufresne (Quebec West): Mr. Speaker, it is not my intention during this session to shirk my duty any more than I did during the first session of this twenty-second parliament. My colleagues of the house may rest assured that I shall take part in the debates whenever, in my humble opinion, I should do so in the interest of Canada, of my province, and more particularly of my constituency and of my city. I shall always do so with the same feeling of pride; I will thus fulfil the only promise I ever made to the electors of my constituency, namely that I would give them a yearly report—in keeping with the excellent tradition I have set—on the mandate they so generously gave me on August 10, 1953.

At the end of the current session I shall feel deeply confident that I have shown once again to the electors of Quebec West that I have not been unworthy of their confidence, since I will again have had the opportunity of proving that I have conscientiously defended their interests in Canada's parliament. As in the past, I will then have the great and noble satisfaction of having done my duty. May I be allowed to extend to the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne my sincere congratulations on their magnificent and successful oratorical effort. Both of them, in a very audible voice and with a good delivery, succeeded, though they had very little to speak about, in sustaining our interest for quite some time. Needless to say that their skill resided mainly in the compliments they chose to pay to those who, regarding themselves as gods, worthy of worship because they are in power, contributed largely to their ascension in this house.

I would like also to extend to Mr. Speaker, whose absence from the chair I regret, my most sincere congratulations on the various improvements which have been brought about and which will henceforth benefit all members of this parliament. Our offices are spotlessly clean. Thanks to Mr. Speaker, nobody will be able to seek an excuse for his indifference and his laxity, as our bright quarters are for us an inspiration to work. I must also mention the true improvement represented by the new parliamentary post office, in respect to which Mr. Speaker has attended to the least detail. Finally, it is with immense satisfaction that I mention the perfectly bilingual signs which are a credit to him, and reflect the spirit of understanding which characterizes him. His intention, no doubt, in doing so, was to stress the bilingual character of this parliament and of his country. Once again, my warmest congratulations to Mr. Speaker.

(Text):

Mr. Speaker, so far as the acting leader of the official opposition, the hon. member for Dufferin-Simcoe (Mr. Rowe), is concerned, the press throughout Canada has acknowledged his ability to carry out his duties. I agree with them. The results of his long experience are already evident, as well as his sincerity and desire to serve and the true interest he brings to the problems of this country. Those of us who have the privilege of knowing him realize more and more what an asset he is to the Canadian nation at this time, and the contribution he is making to our party as acting leader.

There is no member of this house, no matter what his political affiliation may be, who would care to be accused of ingratitude. We say that ingratitude is the monopoly of children. I do hope that everyone in this house has attained his maturity. I have been deeply affected by the serious illness of my respected and venerated leader, the Leader

of the Opposition (Mr. Drew). All the members of our party deeply deplore the necessity for the absence of that great statesman whose generous contribution and service to our nation has always been a great inspiration to all of us. I feel that there is an emptiness in this house which will be filled only on that day which we all hope is near at hand when with restored health and full vigour the Leader of the Opposition again takes his seat in this house.

I want to take advantage of this occasion to state my full appreciation of the kindness, concern and generosity of the Leader of the Opposition when tragedy struck my home last winter. I humbly acknowledge that without the prayers of the people of my riding, without the help of medical science that came from many parts of the country, and without the advice and help of my chief my wife would not have survived. Since the day on which my chief was so suddenly stricken my wife and I have never ceased to send to heaven our humble prayers asking Providence to bring him back to complete recovery.

The magnificent work he has begun is by no means ended, and the role he presently plays and will be called upon to play in Canadian and international fields must not end. We are happy to learn of his recovery and we express our wishes for his early return.

If no one has any objection I can keep on, but if there is objection from any part of the house I can move the adjournment of the debate.

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

An hon. Member: Carry on.

Mr. Harris: I understand that my hon. friend will complete his remarks shortly.

(Translation):

Mr. Dufresne: Mr. Speaker, with no further ado, I wish to state my opinion on this long, interminable *pièce de résistance* which Her Majesty's representative was forced to read to us and which is called the speech from the throne. On close and repeated examination it reveals itself as what it really is, that is to say, a flood of words in a desert of ideas, and nothing else.

A group of men who believe themselves to be serious, who make up the Canadian cabinet and upon whom devolves the responsibility for drafting this speech have nothing to offer but this endless avalanche of words containing no new ideas except those borrowed from representations and suggestions put forward by Progressive Conservative members in the course of previous sessions. Looking directly at the Liberal members across the way I do feel moved to exclaim: All's quiet on the horizon!

Mr. Speaker, I have had the opportunity of making a very modest but sincere contribution to the debate at the resolution stage of legislation designed to extend the period for payment of insurance benefits to those who have a legal right to receive such benefits. I said then, and I repeat it now, that those workers who have had to suffer, over the years, from the running sore of unemployment—not regional nor seasonal, but permanent—are not satisfied with the application of this innocuous poultice to a gaping wound.

(Text):

Mr. Lesage: The hon. member is referring to a bill which was passed last night.

Mr. Dufresne: We spoke only on the resolution. I am just referring to my own speech, and there is no rule of the house which would prevent me from doing that.

Mr. Lesage: The hon. member was not here when the bill was passed last night.

(Translation):

Mr. Dufresne: I am of course speaking of unemployment and I must say that, in view of its disquieting spread, the application of a poultice has now become insufficient. The government is ill-advised to bring but slight relief.

In order to create a feeling of satisfaction, which will only be temporary, in order to give hope to those who, with their family, experience great hardships at this time because of unemployment, the speech from the throne proposes that an increased subsidy be voted to the departments concerned for use in more elaborate public works.

What will be the nature of these works? No one knows and the speech from the throne casts no light on the matter. Aware of the constant policy of inaction of the Liberal party, I believe I am not mistaken in stating that these works will consist, as always, in contracts being awarded to certain contractors.

There is nothing in all that, Mr. Speaker, to remedy the alarming conditions which must face the workers who are presently living a life of anxiety that one can easily imagine.

This Liberal government is the one responsible for the economic depression we are now going through and it must not shirk the responsibility which rests upon it to check

that depression as soon as possible. Now more than ever is the time to give up its policy of inaction which traditionally has been that of the Liberal party and to replace it with a policy fitted to the urgent needs of the day, or to leave the economic recovery of our country to those who are better disposed to remedy such ills.

The public works program must be national in scope since we find that unemployment is at the epidemic stage all over the country. As far as my county and the city of Quebec are concerned, the needs have been obvious for a number of years and the Liberal politicians have always failed to resort to the solution which had been requested earnestly and very often by every important public body in the old capital city.

To my mind—and I am voicing here the general opinion of the people of Quebec—the deepening of the St. Charles river, the works to prevent the pollution of the Lairet river, and the removing of railway crossings are the only projects which could bring relief to those who seek work.

However, I warn the government against political discrimination which, much too often, comes into the picture when those works are undertaken. All allegiances must be put aside in order to give employment to those who have an absolute need of it. I never heard it said that distress and hunger had a particular political colour.

I take the liberty of submitting to the house that at Christmastime, all public men in my county, putting aside political affiliations, acted together in order to provide many needy families with the food they required to spend a cheerful Christmas. Our only concern then was to feed those who were really in need. Such an example should inspire in the future those who sit on the other side.

It is very interesting to note the amount the government will spend for the unemployed in the form of public works. Will that amount be sufficient to deal satisfactorily with the problem or so insignificant that only a few will be prevented from dying of hunger?

I am expecting the answer that will be forthcoming from the government after a while, that they were unable to do better, because the appropriations did not allow for such a large expenditure.

I dare hope that the colossal joke of 1939 will not be repeated in 1955; nobody would take it seriously anyway.

I cannot forget this absurd answer made by the late Mackenzie King, then Liberal prime minister of Canada, to the then government of Quebec, which was asking, and quite legitimately so, for a $30 million grant to check prevailing unemployment, which brought so much distress to the homes and souls of our workers.

The authorities of the government of Quebec got a definite no, as an answer, and the prime minister added: "We have no money".

However, hardly two months later, Canada hastened to declare war on Germany. And what happened then? The federal government opened wide the treasury and millions and billions of dollars were spent with that well known prodigality. We were told that we had to set up a powerful army that would fight on the battlefields of Europe in the defence of Christianity and civilization. Mr. Speaker, civilization was already threatened at home. Our people had been going hungry for a long time through lack of employment. Civilization had lost its true meaning because in a country like ours, possessing unlimited resources, a terrible depression had fallen upon us in the manner of plagues and calamities.

Government-controlled war plants mushroomed and munition manufacturers rejoiced at the thought of making enormous sums of money at the expense of our sons' blood.

Our lavishness went as far as making loans of billions of dollars to other countries, without interest, while the debtor nations lost no time in lending that money to other far-away countries, but with interest.

You must have noted, Mr. Speaker, that two months previously, a few millions could not be found to undertake, in Quebec, public works which would have taken us out of the misery in which the poor administration of the government had thrown thousands of families. The working people of Quebec were not then asking for charity, through the government of their province, any more than they are begging for it now; all they wanted was to earn the income necessary and essential to provide for themselves and their families.

We did not have a few million dollars for living works, but we were throwing away countless billions to propagate death. Nevertheless I must state unequivocally, though regretfully, that the only times during which our people have known any kind of prosperity, even of the most fictitious sort, were those during which nations were at each other's throats and Canada was sacrificing on the battlefields a part, the best part I should say, of that youth upon which we had laid our fondest hopes for the future.

That is a nonsensical situation. It is our duty to put an end to this as soon as possible. Consciously or not we are rushing headlong into tragedy, or else we are quickly moving towards a damnable ideology which on the other hand we would be prepared, possibly, to fight at the cost of heavy sacrifice. Since the government seem to believe that unemployment is entirely within their jurisdiction, I will say to them, with that frankness which is a characteristic of mine: "All right, mind your own business, but do mind it seriously!"

The speech from the throne announces that amendments will be made to the War Veterans Allowance Act in order to raise the basic rates as well as the ceiling on permissible incomes of recipients of allowances. It has finally dawned upon the government, Mr. Speaker, that it was time to improve the fate of those who, having left behind country, home, folks and friends, besides risking their lives for the protection of Canada, came back crippled in one way or another or in failing health. This government cannot claim credit for this increase, for I know that the war veterans will prove their gratitude to the Progressive Conservative party. If at last they are given a recognition which will never equal the sacrifices they have made, they will owe it to all of those who, on this side of the house, have never ceased to plead in their behalf.

I should also like to speak on behalf of the veterans of the first world war who today, having reached a certain age, deserve as much consideration, since they made the same sacrifices in 1914-18. I therefore hope that they will not be forgotten.

It might be in order to remind the minister concerned that the humane thing to do would be to order that these veterans of the 1914-18 war, whose pension is insufficient, or those who get no pension at all, be employed in the corps of commissionaires or at any other such work. I would be the first to congratulate him for such a move if he were to agree to my suggestion.

Mr. Speaker, all the people in the province of Quebec regret that the government has seen fit not to mention in the speech from the throne the possibility—

(*Text*):

Mr. Lesage: I object to continuing after this time, Mr. Speaker.

Mr. Deputy Speaker: I understand that the minister is rising on a point of order. It leaves me in considerable difficulty in that at ten o'clock, when I attempted to put the motion of the hon. member for Quebec West (Mr. Dufresne) adjourning the debate, unanimous consent was apparently given to his continuing. I understood that to mean consent to his continuing until he finished. As hon. members will recall, he had given the assurance that he would be finished in a few minutes. Therefore, it leaves me in considerable difficulty as to how long was intended by the house. Perhaps the hon. gentleman might be willing at this time to move the adjournment of the debate.

Mr. Dufresne: If it is the wish of the house I can keep on; but if there is any objection, I will move the adjournment of the debate.

Some hon. Members: Carried.

On motion of Mr. Dufresne the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris moved the adjournment of the house.

He said: Mr. Speaker, we shall continue on Monday with this debate. I would hope that we might find it possible to wind up this debate some time next week.

Motion agreed to and the house adjourned at 10.14 p.m.

HOUSE OF COMMONS

Monday, January 17, 1955

The house met at 2.30 p.m.

INCOME TAX

PROPOSAL TO INCREASE DEDUCTION IN RESPECT OF PROVINCIAL TAX

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like to make a short statement about the developments resulting from the imposition of a provincial income tax in the province of Quebec.

As all hon. members are aware, I had a meeting with the premier of Quebec, at his request, on October 5 last in Montreal. Mr. Duplessis indicated, at that time, that he was considering proposing certain amendments to the provincial income tax law which he hoped might make possible some temporary agreement which would give both governments a further opportunity to arrive at more satisfactory permanent arrangements. He undertook, at that time, to write to me indicating the nature of the changes it was proposed to make in the provincial income tax and to suggest a basis for a temporary agreement.

In a letter dated November 1, he indicated the changes he was prepared to make in order to reach an agreement for the deduction of the provincial tax from the federal tax.

Since the receipt of his letter, my colleagues and I have been giving the most careful consideration to the problem and during the course of that consideration it was arranged by the two governments that some of our officials would visit Quebec to secure certain factual information without which it was not possible to have a complete picture of what, I am sure all hon. members will agree, are some of the most difficult and complex problems we face in the practical working of our Canadian confederation, namely, the appropriate fiscal relationships between the federal and provincial governments.

The problem of finding any basis for a temporary agreement was complicated by the fact that the Quebec income tax act provided different exemptions and a different apportionment from the federal Income Tax Act. The more we studied the problem the clearer it became that if, as always has been our policy, the same treatment in respect of federal taxes was to be available to Canadian taxpayers in whatever province they lived, we could not agree to the deduction from the federal tax of the tax imposed in one province unless in similar circumstances and without too seriously affecting federal revenues we could agree to the deduction of a similar tax imposed in any other province.

Mr. Duplessis had, however, indicated in his letter that the probable yield from the provincial tax was equal to about 10 per cent of the total of the federal income tax collected in the province of Quebec. This statement led us to consider whether, in some way which could be applied in any province, it would be possible to make room for the collection of a provincial tax which would yield 10 per cent of the federal tax in that province, without the necessity of any taxpayer in the province having to pay a higher tax that he would have to pay on the same income in any other province.

The estimated figures of tax yields in all the provinces for 1954 were carefully scrutinized and it appeared from these figures that it would be possible to reduce the federal tax by 10 per cent in any province which preferred not to have a tax rental agreement, and still safeguard the revenues necessary to meet our irreducible national responsibilities.

The estimates of the yields for 1954 and figures for previous years were carefully examined to see whether a greater reduction, which would have to be available to any province, would be possible. In the light of our responsibilities to the whole Canadian people we reached the conclusion that we could not, at this time, recommend any reduction greater than 10 per cent of the federal tax in a province which did not have a tax rental agreement.

At the present time a taxpayer having to pay a provincial income tax may claim a deduction up to 5 per cent of his federal tax. There are administrative difficulties and complications for taxpayers in deducting a portion of one tax from another, but what is even more serious, this method makes the real incidence of the provincial tax depend on the terms of the federal law and makes the total amount deducted from the federal tax depend on the terms of the provincial law. We feel that it would be more satisfactory to reduce the federal income tax by a fixed percentage in any province which imposes and collects a provincial tax and

thereby let both federal and provincial taxes stand on their own feet without either government having to provide for a deduction of one tax from the other.

I have, accordingly, advised the premiers of all the provinces that we propose, pending the results of a new federal-provincial conference, to ask parliament to amend the federal income tax law in order to make a reduction of 10 per cent for all taxpayers of any province where a provincial income tax is levied on income for the years 1955 and 1956. At the same time we will ask parliament to release from its present tax rental agreement any province which would prefer the new arrangement.

We also intend to propose that income tax payers who have actually paid a provincial income tax on their 1954 income be allowed a deduction up to 10 per cent of their federal tax. In practice, of course, this higher deduction for 1954 will be applicable only to taxpayers who have paid the Quebec income tax because no other province had a provincial income tax in operation in 1954.

In any case the figures already available make it clear that the rentals for the personal and corporation income tax fields in every province for 1954 will be greater than the amount the provincial governments could have raised from a 7 per cent tax on corporation incomes and a personal income tax equal to 10 per cent of the federal tax.

These proposed amendments are intended only as a stopgap arrangement pending the conclusion of any long term arrangements for the period following the expiry of the present tax rental agreements.

As hon. members know it had always been understood that it would be necessary to hold a federal-provincial conference before the end of 1955 to discuss fiscal arrangements for the years which will follow.

In the light of the recent developments, it may be the desire of the provincial governments to have this conference held at an earlier date. I have addressed letters to the premiers of all the provinces outlining the proposal I have just mentioned and inviting the nine provinces which have tax rental agreements to indicate whether they would prefer to take advantage of the proposed new arrangement. In these letters I have indicated that shortly after my return from the commonwealth prime ministers' meeting in London I shall communicate with them further with the view to working out arrangements for a conference at a time which will be satisfactory to all governments concerned.

I should like now to table the letters I have exchanged with the premier of Quebec and the letter I addressed to the premiers of the other nine provinces.

[Mr. St. Laurent.]

Hon. W. Earl Rowe (Acting Leader of the Opposition): Mr. Speaker, I have little comment to make on the report of the proposed action by the government given by the Prime Minister, with the accompanying letters, but I would hope that he might indicate to the house how soon this conference will be held. We on this side are very glad that a dominion-provincial conference is now in the offing.

Mr. St. Laurent: Mr. Speaker, as I have just stated, as soon as I get back from the London conference I intend to communicate with the provincial premiers to arrange a date for the next federal-provincial conference which will be satisfactory to all governments.

Mr. Donald M. Fleming (Eglinton): Could the letters which the Prime Minister has tabled be printed as an appendix to *Hansard* for today by consent?

Mr. Speaker: Is it the unanimous wish of hon. members that this be done?

Some hon. Members: Agreed.

(*For text of correspondence above referred to, see appendix, pages 277 to 282.*)

HOUSE OF COMMONS

PERSONNEL OF SPECIAL COMMITTEE ON PROCEDURE

Mr. W. G. Weir (Parliamentary Assistant to the Prime Minister): Mr. Speaker, in compliance with the motion of the Prime Minister (Mr. St. Laurent) on Friday last, I move:

That Messrs. Applewhaite, Benidickson, Boisvert, Brooks, Brown (Essex West), Churchill, Fleming, Fulton, Gauthier (Portneuf), Harris, Hellyer, Hunter, Knowles, Lapointe, MacInnis, MacNaught, Quelch, Stuart (Charlotte), Tucker and Weir constitute the special committee appointed January 14, 1955 to consider with Mr. Speaker the procedure of this house.

Motion agreed to.

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 152, REVISED STATUTES OF 1952—VOLUNTARY REVOCABLE CHECK-OFF OF UNION DUES

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 7, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

Some hon. Members: Explain.

Mr. Knowles: Mr. Speaker—

Some hon. Members: Agreed.

Mr. Speaker: Is it the wish of hon. members that an explanation be given?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Knowles: Apparently the house knows what this bill contains.

Motion agreed to and bill read the first time.

LABOUR CONDITIONS

INQUIRY AS TO LAY-OFFS AT AVRO AIRCRAFT LIMITED

On the orders of the day:

Mr. J. W. Noseworthy (York South): Mr. Speaker, I should like to direct a question to the Minister of Labour. Has the minister received any communication from the Ontario federation of labour, Trades and Labour Congress, regarding the alleged lay-off of 1,100 workers by Avro Aircraft Limited and will the minister inform the house regarding the employment situation at that plant?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I have received a communication from the president of the Trades and Labour Congress of Canada, Mr. Claude Jodoin, on his behalf and on behalf of officers of his affiliated organizations in Ontario asking to see the right hon. Minister of Defence Production (Mr. Howe) and myself on the subject matter of this question, and we have agreed to see them next Thursday. After that meeting has been held, if there is any point in doing it I shall be glad to make a report to the house on the employment situation at the Avro plant.

BUSINESS OF THE HOUSE

REQUEST TO HAVE NOTICES OF MOTIONS AND QUESTIONS DEALT WITH

On the orders of the day:

Hon. W. Earl Rowe (Acting Leader of the Opposition): I should like to ask the Prime Minister if it is the intention of the government to take up in the near future before the orders of the day notices of motions for the production of papers and routine questions as they are on the order paper.

Right Hon. L. S. St. Laurent (Prime Minister): The matter has not yet been considered, but I know that when the debate on the address in reply to the speech from the throne lasts many days it has been the practice in the past to arrange for an interruption for the purpose of having questions and notices of motions for the production of papers disposed of. I think the same arrangement can be made along those lines.

CHEESE

INQUIRY AS TO PREVENTING FURTHER IMPORTS

On the orders of the day:

Hon. W. Earl Rowe (Acting Leader of the Opposition): Mr. Speaker, I should like to direct a further question to the Minister of Agriculture (Mr. Gardiner). Has the government any available means of preventing further shipments of cheese into Canada?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the duty on cheese is placed on that commodity in the same manner in which duties are placed on other commodities and that is the only government regulation affecting the import of cheese at the moment.

Mr. Rowe: In view of the statement of the Minister of Trade and Commerce the other day to the effect that we might assume that in perhaps six months there might be other shipments of cheese, has the government given any consideration to making the import of cheese into Canada subject to permit under the Export and Import Permits Act, which governs the import of butter?

Mr. Howe (Port Arthur): Mr. Speaker, the two situations are not parallel because cheese does not qualify under the legislation which governs the Export and Import Permits Act.

FREIGHT RATES

CROWSNEST PASS—REFERENCE TO CONTEMPLATED CHANGES

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I would like to direct a question to the Minister of Transport. Can the minister assure the house that no changes are contemplated in the Crowsnest pass freight rates on grain?

Hon. George C. Marler (Minister of Transport): In reply, Mr. Speaker, I would say that no consideration is being given to changes in the Crowsnest pass rates.

POWER

PASSAMAQUODDY PROJECT—INQUIRY AS TO PARTICIPATION IN ECONOMIC FEASIBILITY SURVEY

On the orders of the day:

Mr. A. J. Brooks (Royal): Mr. Speaker, I should like to ask a question of the Secretary of State for External Affairs. In view of the fact, as reported by the Associated Press from Washington on January 16, that President Eisenhower's budget to congress will contain an item of $1 million for a survey to deter-

mine the economic feasibility of the proposed Passamaquoddy bay tidal power project between Maine and New Brunswick, is it the intention of the Canadian government to join in this survey if it is undertaken?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I would like to thank the hon. member for having given me notice of his intention to ask this question, and also the hon. member for Charlotte (Mr. Stuart), who indicated he was going to ask a similar question. Perhaps my answer will deal with his question also.

The proposed economic survey of the Passamaquoddy bay tidal power project is, of course, not a new proposal. It was indicated in the report to the international joint commission dated October 20, 1950, that a full scale survey of this nature will be necessary if the feasibility of this project was to be determined. A resolution requesting the international joint commission to undertake such an economic feasibility survey was passed in the United States Senate in 1954, but did not receive final approval before the adjournment of the eighty-third congress in Washington.

It has already been suggested to United States officials, and that information, I believe, was made available to the house last session, that if as a result of the passage of this resolution the United States government wishes to request the international joint commission to undertake this survey it would be appropriate for a joint reference to be made to the commission by both governments, and that we, the Canadian government, would be prepared to give sympathetic consideration to a proposal for such a joint reference.

Mr. Brooks: Could the minister say whether any joint reference has been made to the international joint commission by the Canadian government?

Mr. Pearson: No, because a joint reference has to be made by both governments; but if the United States government asked us to participate in such a joint reference we would be very glad to give sympathetic consideration to that proposal.

Mr. Brooks: They have not requested it so far?

Mr. Pearson: No.

BRITISH COMMONWEALTH

REQUEST FOR DISCUSSION OF AGENDA FOR CONFERENCE OF PRIME MINISTERS

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would like to direct a question to the Prime Minister. Would he consider setting aside a day for the purpose of discussing some of the matters that might be presented before the commonwealth prime ministers' conference in London so as to enable hon. members to know in general what views the Prime Minister will express on behalf of the Dominion of Canada? I would also ask whether he will place before the house the agenda of that conference which apparently has been referred to in London and is not concealed there. I am sure hon. members would wish to know what views the Prime Minister intends to present on behalf of this country.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I do not know that I could say to the house what views I will be expressing in the course of the discussions that may take place in London, but I would, of course, be glad to hear views expressed in the house as to what would be the appropriate attitude to take there.

The conference has been called for the discussion of both political and economic problems, and I know there have been some indications of the general line the agenda is apt to follow. However, the agenda is usually settled at the opening meeting of the conference because it has always been the practice to recognize that those attending are, at least as far as status is concerned, of equal rank and that each would have the same right to indicate what he felt it would be proper to have the conference deal with. I think it would be advisable to see just what further course this debate on the address takes. It is understood that on Thursday, January 20, there will be an interruption of the debate, if not concluded by that time, in order to deal with external affairs, and we will see then what can be done to meet the suggestion made by the hon. member.

Mr. Diefenbaker: If I may ask the Prime Minister a supplementary question, in view of his statement that each of the component parts of the commonwealth makes its own submissions, would the Prime Minister say what particular matters Canada is taking a definite stand on and intends to have placed before the conference? Secondly, there was reference in the British press recently to the question of the admission of communist China to the United Nations and the suggestion was that that would be discussed at the conference. We would like to know what attitude the Prime Minister will take on a matter such as this.

Mr. St. Laurent: I can assure the hon. gentleman that the Prime Minister will not attempt to do more than ascertain what others may feel about the admission of the government of mainland China to the United Nations

at this time. The purpose of the conference is to endeavour to work together toward peace and not to stress, as I understand it, attitudes that might further complicate the very complicated international situation that already exists.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I would like to ask the Prime Minister a supplementary question. He seemed to indicate that when the conference opens the agenda will come under consideration. I would ask him whether it is or is not a fact that communications, and I would hope very far-reaching communications, have already been exchanged between our own departments and the departments of the other members of the commonwealth preparatory to this conference?

Mr. St. Laurent: To my knowledge, Mr. Speaker, the only communications between this government and another government have been communications with the commonwealth relations office in London.

Mr. Donald M. Fleming (Eglinton): May I ask a further question of the Prime Minister? Have none of these communications touched on the matter of the agenda?

Mr. St. Laurent: Our position is that we do not wish to publicize any documents that come to us marked "secret". That is the only limitation that we are up against. I should be only too happy to put before the house all these communications. It may be that some of them can be put before the house. I will look at them again, in the light of the desire expressed by members on the other side of the house to have them made public, and see what can be done without discourtesy to those from whom we have received them.

Mr. Rowe: I should like to ask a supplementary question. Are we to understand that it is not the intention of the government to reveal to the house any of their policies with regard to anything they think is going to come up for discussion in the conference, any more than he has already told us?

Mr. St. Laurent: Oh, no, Mr. Speaker. It is the intention of the government to reveal to the house everything that can properly be revealed to the house. But this is to be a conference which, like the other conferences, is to be held in camera. We must fit our disclosures into what is generally acceptable to those who will attend the conference. That is the only reason I have not been in a position to state fully the contents of the communications we have received.

Mr. Macdonnell: I wish to ask one further supplementary question. One has always been told that in these international conferences—

Some hon. Members: Question.

Mr. Macdonnell: —success depends entirely upon preliminary work. I wish to ask the Prime Minister whether I am wrong in having taken from his answer the feeling that no intensive preliminary work has been done?

Mr. St. Laurent: Yes, Mr. Speaker; the hon. member would be wrong in thinking that no intensive preparatory work has been done. I have been in constant contact with the Department of External Affairs with regard to the preparation of memoranda that might have a bearing on any of the subjects that have been suggested as possible subjects for discussion.

CANADIAN NATIONAL RAILWAYS

SALE OF HOTELS—PROTECTION OF RIGHTS OF EMPLOYEES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Minister of Transport. Is he in a position to make a more definite statement than the Minister of Trade and Commerce (Mr. Howe) was able to make on Friday with regard to the sale by the Canadian National Railways of certain publicly-owned hotels and resorts to private interests? My question on Friday was this: Was this sale approved by the government? Could the minister say whether, if any further such sales are contemplated, parliament will be advised in advance?

Hon. George C. Marler (Minister of Transport): In reply to the first part of my hon. friend's question, with regard to whether the sale of the four Canadian National hotels was approved by the government, I might say that the government was aware that the management of the Canadian National were considering the sale of the four hotels, but the decision to dispose of them was the management's.

To answer the second part of his question, I do not think it is proposed that there should be any change made in the statute governing Canadian National Railways which permits them to dispose of properties of the railway in accordance with the statute.

Mr. Knowles: May I ask a supplementary question? Does the minister know whether the sale of any other hotels is being contemplated?

Mr. Marler: The answer to that question is no. I know of no other sales.

[*Later:*]

Mr. Macdonnell: I wish to ask a supplementary question of the Minister of Transport, although I am sure he will not need notice of it. Does he agree with the legal opinion of the Minister of Trade and Commerce (Mr. Howe) that the directors of the Canadian National Railways could sell the whole railway without consulting the government?

Mr. Marler: Despite the intelligence attributed to me by the hon. member, Mr. Speaker, I would not be able to answer that question without much notice.

[*Later:*]

Mr. Marler: I should like to reply to a question asked last Friday by the hon. member for Winnipeg North (Mr. Stewart). With regard to the sale of four Canadian National hotels as announced by the management, the hon. member asked if employment in other hotels would be available for the staffs. The management advises that representatives of the Canadian National and of the purchasers are commencing this week to hold personal interviews with all employees concerned with respect to future employment. Such employees as have seniority rights at other Canadian National hotels will have the opportunity of exercising those rights in conformity with the provisions of the union agreements under which such seniority was acquired and of assuming positions for which those seniority rights qualify them.

CIVIL DEFENCE

REPORTED WITHDRAWAL OF FINANCIAL SUPPORT BY MONTREAL AND VICTORIA, B.C., CITY COUNCILS

On the orders of the day:

Mr. D. S. Harkness (Calgary North): I should like to direct a question to the Minister of National Health and Welfare. In view of the withdrawal of financial support for civil defence by the Montreal city council and somewhat similar action by Victoria, British Columbia, about three months ago, has the minister any plans to prevent the disappearance of civil defence measures in those populous areas and the strong possibility of the same sort of thing happening in other cities following their example?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, the hon. gentleman did not give me any notice of his question, but I am able to deal with it. In the first place I may say to him that the city council of Montreal has not made a decision to vacate the civil defence field. The executive committee of the governing body of the city of Montreal has made a recommendation to that effect, to become effective on May 1. As soon as I heard of this particular intention I had the civil defence co-ordinator, after consultation with the provincial authorities who are interested in the matter of civil defence, enter into negotiations with officials of the executive body to which I have made reference. Those negotiations are going on and, as a result of representations that are being made to that body indicating in particular that now for the first time funds are available from the federal government directly to the municipalities concerned, I have every hope that the governing body in that particular community will want to reverse its position. In any event, the decision is one that does not rest alone with that body but with the whole metropolitan area in the city of Montreal.

It is true that the city of Victoria made a similar decision but I am happy to say that, as a result of the negotiations carried on by the civil defence co-ordinator and the municipal government in Victoria, the latter reversed its position. I sincerely hope that will be the case in the city of Montreal.

[*Later:*]

Mr. Martin: I am sure the house would want me to extend courtesy, particularly to a new member. When I made my reply to the hon. member for Calgary North (Mr. Harkness) I neglected to say that this question had been asked of me this morning by the new member in this house representing the riding of St. Lawrence-St. George (Mr. Richardson).

Mr. Rowe: At what session was that?

LABOUR CONDITIONS

H.M.C. DOCKYARD, ESQUIMALT—RETIREMENT AGE OF CIVILIAN EMPLOYEES

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): I wish to direct a question to the Minister of National Defence. Is it the policy of H.M.C. Dockyard, Esquimalt, B.C., to discharge all employees when they reach the age of 65 years, irrespective of their length of service or their ability to perform satisfactorily the services they have been performing in connection with the job they have been working upon?

Hon. R. O. Campney (Minister of National Defence): I must thank the hon. member for having given me notice of his question. H.M.C. Dockyard, Esquimalt, follows the same policy with regard to retirement age

of its civilian employees as do other establishments operated by the Department of National Defence. The normal retirement age for civilian employees of the department is, of course, 65; but in suitable circumstances, after investigation, there are quite a number of cases where civilian employees are being retained beyond the age of 65.

Mr. Pearkes: I should like to ask one supplementary question. Is the minister aware of the fact that over 100 employees have recently received notice that their services will be terminated in the near future because they are reaching the age of 65, and that no other reason is given?

Mr. Campney: No, Mr. Speaker; I was not aware of the number.

Mr. Pearkes: Will the minister be so kind as to look into the matter?

Mr. Campney: Yes.

COASTAL SHIPPING

INQUIRY AS TO APPOINTMENT OF ROYAL COMMISSION

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): May I ask the Minister of Transport when we can expect an announcement with regard to the appointment of the proposed royal commission on coastal shipping?

Hon. George C. Marler (Minister of Transport): I hope it will be possible to make an announcement at an early date on the subject referred to by the hon. member.

HOUSE OF COMMONS

WELCOME TO MEMBER FOR PICTOU ON HIS RETURN

On the orders of the day:

Mr. Daniel McIvor (Fort William): On a question of privilege, Mr. Speaker, it gives us on this side of the house thrilling pleasure to welcome back the hon. member for Pictou (Mr. McCulloch). He was greatly missed. We welcome him back now in fine fettle to preside over one of the leading committees of the house.

IMMIGRATION

REPORTED STATEMENT AS TO FUTURE REDUCTION

On the orders of the day:

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): On Friday last the hon. member for Calgary South (Mr. Nickle) mentioned a reference in the Calgary *Albertan* to an official of my department, and asked whether this official was speaking on behalf of the government. The hon. member was kind enough, after the orders of the day, to arrange to let me see the clipping. I find that what it contains is what the reporter said some private citizen in Calgary said an official of my department said. I do not think there is any point in making any further inquiries because that is not the way we get people to speak on behalf of the government.

EXTERNAL AFFAIRS

POOLING OF RESOURCES FOR ARMS PRODUCTION, WESTERN EUROPEAN UNION—PARTICIPATION BY CANADA

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): In the light of what the Minister of Citizenship and Immigration has just said, possibly we can find out how the government does speak. I should like to ask the Secretary of State for External Affairs whether we have any officials representing Canada at the meeting beginning today of the western European nations who are meeting in connection with the pooling of resources. What is the attitude of Canada toward the suggestion that in so far as grants of arms from Canada or the United States are concerned they should be required to pass through any pooling organization that is set up?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, the meeting in question is a meeting of the countries with membership in the proposed western European union. Canada is not one of those countries and would not, therefore, normally be invited or expect to be invited to this particular meeting. We have been kept informed of the subject matter, a very important one, which is to be discussed, namely the pooling of arms among the countries of the western European union. We do not expect to attend but we do expect to be kept informed of what goes on at the meeting. In so far as the question of policy is concerned, that may be one of the matters which we will have an opportunity to discuss in the debate commencing on Thursday of this week.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Friday, January 14, consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Rowe, and the amendment to the amendment of Mr. Coldwell.

(Translation):

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker I have been listening with attention and a great deal of interest to the important statement which the Prime Minister (Mr. St. Laurent) has just made to the house with regard to fiscal relations between the federal government and the government of the province of Quebec. At this stage I have no comment to offer. I do reserve the right, however, to draw my own conclusions in due course.

When I had the advantage and privilege of rising in this house for the first time, in November 1953, I stated, as will be found in *Hansard*:

> It is all good and well to praise and appreciate the highly social legislation on family allowances, which was adopted by the parliament of Canada, some years ago. It has contributed substantially in raising the standard of living of our large families, even if today, due to the constant rise in the cost of living and to overtaxation, it no longer achieves its original purpose.

Today, more than ever, family allowances are insufficient, since they represent hardly half the value they had when they were first initiated. I am not speaking for any political group in particular, but I defer willingly to the wishes and to the repeated requests of all the large families of my constituency, to whom I have promised my support. I therefore, on their behalf, request the government to raise these allowances appreciably in order to give these families the advantage of greater purchasing power, which is the only guarantee of economic prosperity. Up to what level should these allowances be raised? Here is a question, it seems to me, to which the answer is easily found.

If parliament, last year, deemed it advisable to double parliamentary indemnities, the government being of the opinion that the expenses of members had increased in that same proportion, I consider that such is the case with Canadian families, which must, the same as we, buy the necessities of life. I can anticipate the following question: Where can we get the money to bring a greater measure of welfare into our homes? Here again the answer is very simple. We can get the money from the savings that can be made in the different departments of the government and especially the Department of National Defence and the Department of Defence Production.

We want to ward off and curb unemployment. The means to that end do not seem very complicated to me. Let us start by reducing personal income taxes, thus putting more buying power in the hands of the Canadian people. Let us reduce corporation taxes, and we shall have greater investments for the development of our great resources. On that score I endorse this statement of the Canadian Chamber of Commerce:

> Taxes should never become excessive to the point of taking away from industry the stimulus of a reasonable profit and from the individual the possibility of saving some money. In a growing country over-taxation affects the system which makes possible our development and our progress in the field of social welfare. Any trend towards a reduction of profits through taxation is a trend towards instability in the field of business. Every enterprise should be allowed to keep enough of its profits to enable it to develop on a solid basis in an expanding economy and to face the hazards of competition.

(Text):

All members of the house will certainly agree, Mr. Speaker, that so far I have never been afraid to express my convictions, not only political but religious and patriotic as well. Personally I have great admiration for those who are not afraid to state in the house what they are and what they think. I have no hesitation at all in replying to the fiery and bitter statements directed against my province in this house by the hon. member for Burnaby-Coquitlam (Mr. Regier). In order to be understood by him and that small number who may share his opinions, I will speak in his own language. Will the member permit me to inform him that by his foolish speech he has earned for himself the unenviable honour of being the most narrow-minded Canadian I have ever met. The hon. member was not afraid to demonstrate his gift for fanaticism. In doing so he has endeavoured, in a few minutes, to do more to raise the race cry and to disunite the country than has been accomplished since confederation.

Mr. Dupuis: That is good.

Mr. Dufresne: That is the first time the hon. member for St. Mary (Mr. Dupuis) has agreed with the hon. member for Quebec West. In the few minutes he has spent in Quebec, which no doubt he was visiting for the first time, to his great astonishment he found that we were not like others; that our language and our faith were not that of the majority. Furthermore, he found out that our educational system was different from that of the other provinces. In other words he found that we rightly retained rights and characteristics which will not be given up, no matter how much the party to which he belongs would like to see them disappear. As his leader has not denounced these words, we take for granted that our way of life in Quebec, our liberties, our habits and our

attributes have always been and will always be an obstacle to the success of that party in our province.

The hon. member has spoken of Quebec as another nation. He has classified the valiant and distinguished premier as the master of this other nation. If by that term he intended to insult one who will go down in history as having been the greatest premier that province has ever known, and for whom we in Quebec have great admiration and respect, may I say, Mr. Speaker, that that sort of insult will never achieve what he has in mind. No doubt the hon. member forgets his history, and it may be well to remind him of it. The French-speaking Canadians are no strangers to Canadian soil. It was our ancestors who were the first pioneers in this land; they were also the first to contribute to make Canada what it is today. The contribution the people of our province have made to the development of Canada is an immense one, and more than once our English-speaking compatriots have paid tribute to this contribution.

We have generously put to the service of Canada our French culture. Does the hon. member reproach us for keeping intact our language, our faith, our habits and our attachment to our institutions, and to those who see to it that these things are maintained? We shall not abandon our prerogatives, first because we are faithfully and religiously attached to them, and secondly because the fathers of confederation, who possessed a much broader mind than that of the hon. member, have guaranteed those prerogatives to us by a contract. It is not merely a sheet of paper, and it is called the British North America Act. May God preserve us from ever having a socialist government. Under a socialist regime, with policies such as the hon. member advocates, we would see the end of our constitutional liberty. It would mean anarchy and disunity. In one word, we would be powerlessly watching the funeral of our democratic rights.

He said that for many years the people of Quebec did not get the old age pension benefits enjoyed by other provinces. We had to get rid of the Liberal government in our province, Mr. Speaker, in order that that social measure would be applied. We did get those benefits on the day the present premier took power in our province. How many battles did he conduct from his seat in the opposition on this very subject? Never in all its history has the province of Quebec known such expansion in its economy. Never have our immense resources been so generously used for the benefit of our people. Our thanks for this are due to the premier of the province, whom I am not afraid to name, the Hon. Maurice Duplessis.

So far as the amazing statement of the hon. member is concerned, that in Quebec we are ready for communism, he has shown his complete ignorance of our conditions and has made himself an object of ridicule. The hon. member need not worry. With the strength of our religious convictions, with the honour and respect we have for our clergy to whom we owe in great measure our survival as an ethnic group, and bearing in mind the glorious past of our ancestors, with the love we have for democracy, we are as solid as the fortifications of Quebec against that evil ideology. Even if the rest of the country ever fell into the hands of the masters of the Kremlin, which is absurd to contemplate, Canada would still have a bastion that would guard and keep the standard of liberty and democracy—Quebec.

Liberty in Quebec not being a synonym for either licence or abuse, I was happy to read in last week's press that according to our premier the law protecting against the spread of subversive ideas in our province, known as the padlock law, will never be revoked. Socialism being the twin brother of communism, the hon. member should not be surprised if in certain areas in Quebec the C.C.F. candidates do not receive more votes than those who would favour a totalitarian state in Canada.

To revert, however, to the subject of education—

Mr. Regier: On a point of privilege, Mr. Speaker, I believe the hon. member must admit that at no time during the course of my speech on Wednesday of last week did I refer either to the French racial origin, to the language of the people of Quebec, to the religious faith of the people of Quebec or—

Mr. Dufresne: I will not allow the hon. member, Mr. Speaker, to make a speech during my speech on the address in reply to the speech from the throne.

Mr. Regier: Mr. Speaker—

Mr. Dufresne: He had time enough to insult my province, and I will take time enough to answer.

Mr. Speaker: If the hon. member for Burnaby-Coquitlam reads standing order No. 43 he will see that when the hon. member who is speaking has concluded his speech, he will be allowed to clarify a point which has been misunderstood by the member who is speaking. He may do so at the end of the hon. member's address. When the hon. member rose I believe the hon. member for

Quebec West (Mr. Dufresne) thought he was going to ask him a question, and probably that is why he took his seat. Noticing the hon. member wanted to clarify a point he objected, I think strenuously, and I believe the hon. member can try to clarify his point when the hon. member for Quebec West has concluded his speech.

Mr. Dufresne: If he does clarify it, I will have another opportunity to come back and tell him what I think.

To revert to the subject of education, Mr. Speaker, may I say that had the hon. member been given the opportunity to stay long enough in our province he would have found that nowhere in the world are the minorities better treated. Had he known this, as he should have, he would have cited our province in that respect and our compatriots from Maillardville would have greatly benefited from this gesture. Unfortunately they have to be represented in this house by someone who, as far as I am concerned, has never known the definition of national unity.

(*Translation*):

In conclusion may I, Mr. Speaker, reassert here that my only wish, as member of parliament, is to do my humble share to protect first the best interests of the people I have the honour to represent, and, also, those of the Canadian community as a whole.

I am deeply convinced that I have expressed the feelings of all those who did me the honour of sending me here to speak on their behalf. In so doing, I play the role which has been assigned to me as a result of the last general election. May Providence keep me in good health and inspire me to work hard enough so that I may fulfil my mandate faithfully, thus helping Canada to become the outstanding nation of the free world.

(*Text*):

Mr. Regier: I should like to clarify a point, Mr. Speaker. I believe the hon. member who has just taken his seat—

Mr. Dufresne: On a point of order, I think the hon. member has taken all the time allowed him by the rules of the house to make a speech. I do not think the rules of the house permit him to make another speech in reply to me. He will have some other opportunity in the future.

Mr. Speaker: Perhaps I might clarify the position. Standing order 43 reads as follows:

(1) No member may speak twice to a question except in explanation of a material part of his speech which may have been misquoted or misunderstood, but then he is not to introduce any new matter, and no debate shall be allowed upon such explanation.

[Mr. Speaker.]

I think the hon. member for Quebec West will agree with me that so far he has not heard enough of the hon. member's explanation to tell whether he is making another speech or merely giving an explanation, as provided for by standing order 43.

Mr. Dufresne: I have not yet.

Mr. Speaker: Perhaps we can hear the hon. member, and if he does go beyond the limits provided by this standing order, I am sure the hon. member for Quebec West and I will stop him.

Mr. Regier: Mr. Speaker, the point I wish to make is that the hon. member insinuated that on Wednesday last I had offended the religion, the language, the traditions and the culture of the people of Quebec. I believe that if he will carefully reread what I did say in this house he will find that I did no such thing in any way, shape or form. I have the highest regard for the things he mentioned, their religion, their language, their heritage and their culture.

Mr. Dupuis: You insulted the whole province of Quebec.

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I am very happy to have the opportunity to speak at this time. I came to the second session of the twenty-second parliament with a good deal of concern about the economic conditions in Canada, and indeed the financial position and economic conditions of many of our people. I am sorry that the Prime Minister (Mr. St. Laurent) is not in his seat. I see that the Minister of Agriculture (Mr. Gardiner) is still in the house, and in the course of my remarks I shall make some reference to what he said with respect to the agricultural picture in Canada.

I first wish to say that my concern is over the fact that in this rich country of Canada we have upwards of half a million people unemployed. I do not think it is possible properly to assess the total number of people who are unemployed, but I am quite certain that hon. members will agree that there are well over half a million. When one considers that, and also the number of dependents who must look to the breadwinner for sustenance, then he can understand the serious plight of hundreds of thousands of our people in this rich country.

Mr. Studer: Who made it rich?

Mr. McCullough (Moose Mountain): I realize that when we come back and hear government spokesmen, such as the Prime Minister and the Minister of Agriculture, we hear the same old story that we have heard from

1945 to the present time. Many of the conditions that existed then are still plaguing the Canadian economy. We have unemployment; we have farm people who are losing their equity in their farms. We have foreclosures and all the other things which do bring hardships to many of our people.

When I hear the expression "You have never had it better" I try to find out where the ministers and others from the government side of the house get such assurance that everything is all right. I come from an agricultural area where we have had the worst crop failure in the last ten years. One cannot but be concerned; but when he turns to some other parts of our economy he gets the reassurance that some people in Canada are in a very good financial position.

I went to the library and brought back the "Financial Post Survey of Industrials" in Canada for the year 1954. I quite agree with hon. members on the government side of the house and those who take a philosophical attitude toward conditions in Canada at the present time, I agree, indeed, that many of the bigger corporations are in a healthy financial position. I shall read a short paragraph indicating that some of these companies have a buoyant income. This survey states:

> Based on an analysis by the *Financial Post* of the latest published annual reports, the combined net profit of 326 companies in 1953 was 3 per cent ahead of the 1952 level. Earnings before depreciation, interest and taxes were 2 per cent below the previous year.

The report goes on to say:

> Percentage return on combined net assets continued in its downward trend of recent years,—

But this is the point; the profit return amounted to 10·04 per cent. So far as these 326 industrials in Canada are concerned, they are still in a buoyant financial position and are receiving very good returns. However, the picture is not so happy when one turns to the farming people of Canada. Before I go into that I wish to say that, according to the speech from the throne, we can look for a little alleviation of the hardships of some of our people. I welcome the fact that there is to be an increase in the war veterans allowance; but I say here and now that it is long overdue. The move should have been made long before this. The cost of living has gone up steadily since 1945, and nothing has been done to help these war veterans. When the government bring in the measure, I hope they will accept the suggestion of the Legion, who are asking that the allowance be raised to $60 for single veterans and $120 for married couples.

In addition, I welcome the disability pension that the government has seen fit to enact. On looking over the proposals, it occurred to me that they are too rigid and too strict. There are far too many people who cannot earn a living and who are dependent upon others who will not be able to qualify. I hope the government will see fit to make the regulations less stringent. Also the government has brought in a meagre program of public works suggesting that Ripple Rock be removed and a few other public works projects. I want to say here and now I do not think that will meet the great need we have in Canada for a real public works program by which we can put our unemployed back to work. As I recall, last February the unemployment insurance benefits paid out of the public treasury to the unemployed was in excess of $28 million and so I say that in this rich country we should have a program which will meet the developments and the needs of our people.

Now I wish to discuss the farm picture and to discredit, I think, the remarks of the right hon. Prime Minister (Mr. St. Laurent) and the right hon. Minister of Agriculture (Mr. Gardiner), and in this regard I want first to quote from an editorial which appeared in the Estevan, Saskatchewan, *Mercury* dated December 23, 1954. This paper is published in my own constituency and in respect to the farm income for the coming year it says, and I quote:

> The growing threat of a world-wide economic recession has been removed by an upsurge in business conditions in most countries that are Canada's customers for wheat.

Before continuing I want to say that the editor must be misinformed because, as everyone knows, the reason there is a demand for Canadian wheat in these countries where we normally market our wheat is the fact that those countries have suffered crop failures this past year. More particularly I want to stress this, and again I quote:

> In this regard the poor wheat crop in Canada has been a blessing in disguise.

As far as I am concerned that is nothing short of capitalist mental neurosis. I think that when we have in this country people who can produce for a hungry world and we have an editorial which says that the crop failure which we have suffered this year in western Canada is a blessing in disguise there is something wrong with the thinking of those people. I think it can be attributed to the capitalist psychology all the way down the line because the capitalist society has never been able to take care of abundance at any time. Perhaps hon. members on the other side of the house and the right hon. Minister of Agriculture and the Minister of Trade and Commerce (Mr. Howe) will perhaps now be chuckling deep down in their

collars that once again nature has pulled us out of a task which cannot be accomplished in a capitalist set-up, such as we have today, in spite of the fact that we on this side of the house have pleaded with the government to undertake a program for agriculture under which when through the bounty of Providence we have in this country an abundance of wheat, we can store it for the lean years.

I need not repeat what I said in the past that this was done in Egypt over two thousand years ago. In the years of plenty they stored for the years of scarcity. There is no one single thing which could injure the western hemisphere more than a continued crop failure which could put the balance of negotiations and what have you on the side of the iron curtain. Yet in this country, where we have steel and concrete and where we could store our wheat for the years of scarcity which might come, there is no program. The only way that the government has got out from under it is by a widespread crop failure in western Canada.

What is the situation in respect to farm income in western Canada? Quite briefly we have had the most serious decline in the last twenty years. According to dominion bureau of statistics figures net farm income was as follows:

1951		$2,188,600,000
1952		1,949,900,000
1953		1,667,000,000
1954	(estimate)	1,200,000,000

This represents a three-year decline of one-half of the 1951 net farm income. In Saskatchewan, the province whence I come, we will have a net income this year of $250 million less than in 1953, or a drop of approximately 46 per cent.

I want to carry the same argument through to show the condition of agriculture in Canada. Taking the period from 1935 to 1939 as the base period, according to the dominion bureau of statistics, from July 1951 to October 1953, manufactured goods in Canada declined 15·6 points. But farm products, that is, the wholesale price index of farm products, dropped 68·6, a difference of 53 points. There is a decline to 1954 and today western farmers are finding themselves in a definite price squeeze. Their costs are up and their income is going down.

What does this mean to the purchasing power of the farmer? According to the dominion bureau of statistics report again, we have the index of commodities and services used by farmers, taking again the base period from 1935 to 1939, standing at 225—these are the things which are used by farmers in the production of the various farm commodities—an increase of 125 points since 1939.

What does this mean to the farmer in relation to the money with which he can purchase these commodities? As an example let us consider wheat. No. 1 is now $1.72 f.o.b. Fort William, and in terms of 1935-1939 purchasing power it is worth only 76 cents. That is the problem facing western Canada today and I think this government should take cognizance of that fact. This condition affects the whole economy. I am not here to plead for the farmers of western Canada particularly but for every last citizen who has to earn his bread and butter in Canada and maintain a home and provide for his children.

Concerning retail sales in Canada there was a drop of $214 million in the first nine months of 1954. According to the unemployment figures again there are 18,000 unemployed as of November 1954 in Winnipeg, 20,000 in Vancouver; and in Yorkton, Saskatchewan, a very small city, the registered unemployed figure has increased by 70 per cent from the previous year.

Again I have indicated that some of the companies in Canada are still making hay. I remember the story that was told in this house, I think by the premier of Saskatchewan, Mr. Thomas Douglas, when he was indicating that the fun which the big corporations have can perhaps be compared to the elephant who dances around in the chicken house. It is fine fun for the elephant but it is pretty tough on the chickens.

I am saying that the little enterprise, the small businessman, the small enterpriser is being driven to the wall in many cases. According to the dominion bureau of statistics figures commercial failures for the first nine months of 1954 rose to 1,684 from 1,127 in the preceding year.

I would like to turn to the statement made in this house on January 10 by the Prime Minister (Mr. St. Laurent) when, in reply to the Acting Leader of the Opposition (Mr. Rowe), he stated, as reported at page 32 of *Hansard*:

> The hon. gentleman has said that Canada has lost the United Kingdom market for the second time in his own period of political experience. There has been no loss of the United Kingdom market.

I think it is quite unnecessary for me to again put on record the figures I gave last year dealing with exports from this country

to the United Kingdom from 1939 to 1953, the latest date for which figures were then available. But I would like to give comparative figures for farming commodities exported to the United Kingdom, and as will be found in the dominion bureau of statistics return dated March 18, 1954. The figures are given in hundredweights. In 1945, of beef and veal Canada shipped 1,843,777 and in 1953 the amount fell to 64,501 cwt. In 1946 we shipped 103,243 cwt. of fresh lamb and mutton and in 1953 not a single pound. In 1943 we shipped 149,124 cwt. of fresh pork and in 1953 no shipments at all. In 1947 we shipped 120,988 cwt. of poultry and in 1953 again nothing. In 1944 we shipped 6,923,103 cwt. of bacon and hams to Britain and in 1953 nothing. In canned meats we shipped 338,378 cwt. in 1944 and in 1953 only 27. We shipped 142,300 cwt. of edible offal in 1944 and in 1953 not a single pound. As regards "other meats", we shipped 1,995 cwt. in 1946 and 10 cwt. in 1953.

Mr. Gardiner: May I ask the hon. member a question? Will my hon. friend put on the record the amount of surplus we had in each of these products at that period and which we might have sent to Britain?

Mr. McCullough (Moose Mountain): That is a good question. The Minister of Agriculture (Mr. Gardiner) comes out west and makes speeches and it seems to me he has one for every occasion. Now he is asking me to put the surplus figures on record. I do not know what these figures were, but I would say that it is directly due to the agricultural policy of this government that we were unable to maintain our production figures.

Mr. Gardiner: Mr. Speaker, since the hon. member is unable to put these figures on the record, I would like to suggest to him that the products were sold during that period and the only reason we did not send them to Britain was that we obtained higher prices elsewhere.

Mr. McCullough (Moose Mountain): Mr. Speaker, I would like to point out to the minister that in this country we have never yet reached maximum production in any one of those commodities. I dislike introducing my own personal experience, but I would like to point out that in 1951, just before the $3 subsidy was removed from hogs, there was no guarantee, no market, and no assurance that the farmer would get a proper return.

Mr. Gardiner: Everyone who got rid of his hogs lost money and everyone who kept them made more money than ever before.

Mr. McCullough (Moose Mountain): I have some good Liberal friends out west and they always tell me, "When the Minister of Agriculture comes out with a policy I always do the opposite." Apparently they have been very successful. In any event, the minister has told the western farmers that if they wish to retain these markets they will have to maintain production. Is he now prepared to get up and say that the farmers failed to provide sufficient quantities in order to supply these markets?

Mr. Gardiner: I have never made a statement of that kind. I keep hogs myself and I have made more on hogs since 1951 than I have ever made at any other time.

Mr. McCullough (Moose Mountain): I would like to draw the minister's attention to something he said the other day, on his return from the United States, with respect to the support prices we have on some Canadian commodities. The minister seems quite satisfied with these support prices, particularly with reference to the poultry producers in this country. I do not know where he gets his information but I do know that a few of my acquaintances are not satisfied with the proposition. They feel they are not getting a fair deal, and that the support price is too high in relation to what they get. I had a conversation recently with a local storekeeper who takes eggs from the farms and ships them to the packing houses, and two years ago they were paying around 21 cents a dozen for mixed eggs. I asked the dealer how he came out, and where the principle of support price entered into the transaction. He showed me a return on 24 dozen crates of eggs and it proved that he had lost $4 on that quantity. I asked him whether he got any return from the packers, and he said, "No, that is all I get." What in effect was happening was that they were handling them as a service.

In this regard I would point out that despite that situation the minister indicated the other day that in Canada the support price for eggs and for poultry was working out satisfactorily.

Mr. Gardiner: Mr. Speaker, as a matter of privilege, I said no such thing. I said that my hon. friends opposite were claiming the United States system was better than ours, and I pointed out to the house that we were getting more for our eggs and butter at present than the farmers were in the United States.

Mr. McCullough (Moose Mountain): What the minister did say was rather ambiguous. I have here the poultry products market report for December 31, 1954, and according to this report the price of eggs to the producer

as of December 28, 1954, was 30 cents. At the same time the price to the consumer in Winnipeg was 48 cents, or a difference of 18 cents. How can the minister claim that it is working out satisfactorily? There is obviously too great a spread between what the producer gets and the consumer pays. I see the minister shrugging his shoulders.

Mr. Gardiner: You are switching your ground. It was price to the producer and wholesale price I quoted.

Mr. McCullough (Moose Mountain): I do not wish to encroach upon the time of other hon. members, and in the few minutes at my disposal I want to make five suggestions which might help us to combat the economic difficulties now facing the nation.

I believe the greatest challenge to the western democracies is that of putting their own house in order and providing the people with security and a decent standard of living. With regard to unemployment the federal government in 1945 committed itself to complete responsibility for all unemployed employables in Canada in lieu of the provinces giving up certain taxation rights. I want to say to the government that it is high time they took that responsibility and, if necessary, called another reconstruction conference and get down to business with the provinces. I do not think there is one single province that would hesitate to meet with the government. If it undertook its responsibility in respect of the unemployed in Canada, I think the provinces would do their part. I know my own province of Saskatchewan is quite ready to take on responsibility for the disabled and those who are unemployable. That is one thing. Coupled with that matter, we should have some vision in the matter of a public works project across Canada, worked out with the provinces and the municipalities, whereby we may have social projects which will benefit them and which will put our people to work on a work and wages basis.

As I say—and I referred to this matter in the earlier part of my speech—this government should look after those who are war veterans under the war veterans allowance and immediately increase that allowance as requested by the Legion up to $60 for a single person or $120 for married couples. This government should undertake immediately what this party has always asked, namely a health insurance program for every citizen in Canada. It is something which the government is going to have to give some thought to. Unless action is taken quickly, you will have to find new ground and new data which will make it possible that, when you make up your mind—if and when you do so—you can undertake it with some success and assure that it will have the necessary personnel, the necessary hospitals and other things in order to put it into operation. I urge the government to bring in a national health program for the people. It is long overdue. We need it right now. This government should undertake now to start training girls in the nursing profession. They could undertake to help the provinces. Up to this time they have not done so. I realize that assistance is given for the construction of hospitals, but this government should take a real lead in having each of the provinces bring their hospitals up to the maximum necessary to give adequate hospitalization under a national hospitalization scheme because there will be many more people who will then have an opportunity to go to hospital but who now, through the hit or miss program of personal hospitalization, are not able to get the health care they need.

In conclusion I want to deal with the farm program. As I said before, this is not a selfish approach because I come from a predominantly agricultural province but rather because I think it would be for the welfare of all of Canada. First of all I think this government should do something seriously about its trade policies. I think the government should get these trade envoys, the people who are out trying to sell Canadian products, to get off their soft chairs and get out and do something about this matter so that Canadian markets will be extended so that we shall have a marked step in the direction of freer trade.

Then in respect of our domestically consumed farm products, may I say that I think the government should establish a national livestock marketing board; and under that board they should set prices for agricultural commodities—that is livestock products and dairy products—which will give the cost of production. In that formula there should be forward pricing by which the producer would know, for two or three years, the minimum amount he is going to get for his products. To date the Agricultural Prices Support Act has been used in some cases to support agricultural products, but to date only in the neighbourhood of $80 million has been used under this fund. The minister shakes his head. He can perhaps give the house other figures. That is my figure and I went and looked it up. The figure I have is $80 million whereas, on the other hand, we find that $60 million has been paid in subsidies to the gold mining industry. I am not trying to make an issue of that or any comparison; but surely the agricultural welfare of this

country is worth more than $80 million. I therefore say that through a national livestock marketing board we should have this guaranteed price which will give the cost of production to our farm people and tend to give equilibrium to all our economy because, as I have said before, when the farm economy is in the doldrums then you have your dependent industries such as the farm machinery industry and the others in a depressed condition.

Then again I have spoken about dairy products. They too should be under the same system of forward pricing, with guaranteed prices over a period of years. Another thing which could be done is the institution of a crop insurance program. Speaking the other day the hon. member for Dauphin (Mr. Zaplitny) outlined something in that regard. I am not going to go into it other than to say this. Under the Prairie Farm Assistance Act there is not sufficient coverage and guarantee that the farmer who loses his crop, through drought, hail or flooding, can receive a proper income or any assistance under that act. There is therefore a great need there. In asking this I do not think that I am being unreasonable. Protection is given to every other industry in Canada. We are just asking that, for the sake of the welfare of the whole economy, something substantial be done in order to prevent the fluctuations which we find in the agricultural picture.

In conclusion I just want to say this. Unless this government is ready to come out of its hiding and do something for the Canadian people I think—and quite justly so—that there will be an aroused public and that the people of this country who are without jobs and the farmers who are losing their equity in their land and are having their farm machinery repossessed, are going to rise up in wrath which is quite justifiable.

Mr. G. W. McLeod (Okanagan-Revelstoke): Mr. Speaker, I shall take only a few minutes in this debate. First, I should like you to know that I agree most heartily with the congratulations that have been extended to the hon. member for Verdun (Mr. Leduc) and the hon. member for Trinity (Mr. Carrick) for their splendid contributions to this debate.

I listened closely to the Acting Leader of the Opposition (Mr. Rowe) when he set forth the policies of his party. I was hoping to hear some constructive suggestions as to what the government should do and what this once great party would do if they were sitting in the seats of government. I was glad to hear that the Acting Leader of the Opposition has committed his followers to a program of national contributory health insurance in co-operation with the provinces. I was somewhat amused at the reaction of our socialist friends to this announcement. They have always tried to steal the limelight by laying claim to originating and forcing the government to take action in connection with all the matters of social welfare legislation that have been put on the statute books.

I think it would be well for us all to bear in mind the fact that the Canadian people are a humanitarian race and like to alleviate suffering and misery wherever it may be found. But I can assure you that they do not like to have it done under state control or under too much regimentation. I also noticed that part of the subamendment to the speech from the throne where the hon. member for Rosetown-Biggar (Mr. Coldwell) inserts the words "have deliberately returned to the policy of uncontrolled and unplanned private enterprise".

We in this corner of the house had begun to fear, as our leader, the hon. member for Peace River (Mr. Low), said the other day, that the Liberals were socialists in low gear. However, we are glad to learn now that they have returned to the fold of free enterprise. I make no apology for claiming that our group since its inception has continuously and unwaveringly supported the system of free enterprise. We have stood by this policy throughout the years and while we admit that limited controls may sometimes be necessary we will oppose any move by this or any other government to place the affairs of the Canadian people under state control or to regiment our way of life.

Since neither the amendment nor the subamendment offers anything concrete, we may as well consider the speech from the throne itself. We are glad to note that the international situation has improved. While the peace in Korea may be an uneasy one, the bloodshed has at least ceased. There is a possibility that affairs in Indo-China may be stabilized and I trust that the Canadian members of the commission that has been given the tremendous task of overseeing the carrying out of plans in that part of the world will, with the other members of the commission, work towards ultimate success, stabilize affairs in that country and bring about lasting peace.

In a few days we shall be debating in the house the London and Paris agreements. I think we should all remember the steadfast leadership of Sir Anthony Eden who is so greatly responsible for bringing these agreements out of what seemed total failure. I know that the problem of the admission of Germany to NATO causes much concern, but we trust

that it will be given very careful consideration in the house and throughout the country and that by our actions we will contribute something towards the removal of this stumbling block to world peace which exists in Europe today. All in all, international conditions are more settled than for some time. World leaders predict an era of peace. I wonder whether we are ready for it. That is a terrible question to ask but I am sincere. Are we ready for peace?

In our lifetime we have noticed that good times and bad times have coincided with war and peace. Under the stimulus and demands of war, either for industry or for the armed services, the energy of every one of our citizens is required, and so we have full employment. The resulting increase in wages and income places in the hands of our people a supply of purchasing power so that they can buy the goods and services required for daily living. Then we have good times. Good times, Mr. Speaker, but under the stress and worry of war we are not able to enjoy them.

After the demands of war are satisfied and we return to a peacetime economy we then find that the demands of industry for labour gradually taper off and we have lessened wages and income with lessened purchasing power in the hands of our people. Then we have bad times. I do not think I need elaborate further. We have all witnessed the cycle, good times and bad times, war and peace, boom and bust. The solution is sustained production, production that will supply the materials for roads, bridges, houses for our people, public buildings for educational and health services, land clearing, natural resources development. I could continue. These must replace wartime production. The program is unlimited but leadership must come from the government and the finances for the program must be supplied by the government on a non-interest bearing basis by the issuance of currency and credit through our own institution, the Bank of Canada.

I am not pessimistic about our economic problems, Mr. Speaker. I have wonderful faith in the resources of our country and in the ability of our people to work and to produce. We are now entering an era of peace and it is the duty of the government to give the necessary leadership to see that we are not entering an era of depression. We are finding it difficult to employ all our workers. We have surpluses of agricultural products. We have our warehouses filled with goods that our people and the peoples of the world need badly. We have idle factories. These are signs we must heed. These things create problems that we must face instead of sitting back and hoping that something will happen to pull us out of the mess.

I am glad that such prompt action has been taken to amend the Unemployment Insurance Act to alleviate the condition of our unemployed, but this is only a stopgap. It is not a cure for unemployment. I note that the Prime Minister (Mr. St. Laurent) will attend a conference of commonwealth prime ministers in London shortly. I trust that he will have constructive ideas to place before the conference for improving trade with these countries. I hope he is successful, for it is very essential that we have increased two-way trade within the commonwealth, especially with Great Britain. I trust that our trade emissaries trying to bolster GATT will meet with ultimate success.

I have heard the more or less humorous criticism of the cabinet that they are commercial travellers. I should like to commend the government for the leadership it is giving in trying to open outlets for our goods in the world markets. I think we are all agreed that in this era of highly competitive trade personal contact is the better way to sell goods. Not only are these travellers selling goods but we hope they are selling Canada. Even if the bill is $60 million it is not too much to pay for good will. A few days ago the phrase "peace and good will" was on everyone's lips. We are spending about $2 billion a year to promote and preserve peace. Surely $60 million is not too high a price for good will.

I should like to devote a few minutes now to local affairs. Last summer I was glad to have the Minister of Fisheries (Mr. Sinclair), who is present in the house, and the Minister of Northern Affairs and National Resources (Mr. Lesage) visit my riding. I say "riding", Mr. Speaker. I did not have the privilege of seeing them. I was glad to note that the Minister of Fisheries had set the minds of the people of Vernon at rest with regard to the new federal building in that city. I had advised them earlier that the Department of Public Works would proceed with the building in 1955 and it was nice to have this confirmed on the spot by a cabinet minister.

I should like to assure the Minister of Public Works that the need for more post office space and for centralized government offices is becoming more urgent in Vernon. This year we are suffering a recession in our two great industries, farming and lumbering, and government projects to provide extra jobs and extra purchasing power are badly needed. Some of you do not seem to realize that we have an agricultural industry in British Columbia. I do not blame you, for so many

members of the house would have you believe that agriculture starts at the Manitoba boundary and ends at the British Columbia line.

Despite the fact that we have a good agricultural industry, we have our troubles as well. I was glad to hear the hon. member for Westmorland (Mr. Murphy) champion the cause of New Brunswick farmers a few days ago. I was pleased also to hear him take the hon. member for Burnaby-Coquitlam (Mr. Regier) to task for some of the statements he had made following a brief visit to that province. In this case I believe we would do well to recall the old saying, "A man usually finds what he is looking for."

I should like the hon. member for Westmorland to know that I spent several days in his province last spring. I, too, was on a speaking tour, covering parts of Kings, Queens, Victoria and Carleton counties. I was delighted with the country and with the people. The only thing I could not understand was how they were able to drive such fine cars, to have such good homes, wear such good clothes and enjoy such good food—I did enjoy that sea food—on what we in British Columbia would call a very low income. However, they seem to be able to do it, and they deserve credit for it. I believe the people, though, are awakening to the fact that development is badly needed. I believe they feel the government should give and must give more active leadership and direction, so they can develop their wonderful resources and enjoy the benefit of all the good things that are there in such abundance.

I have digressed from my subject. I was going to tell you that in British Columbia we have a very important agricultural industry and, in my riding, we take a back seat to none. A rancher from the Oyama district took a few of his Herefords to the Toronto fair and came back with the championship for fat steers. The 4-H clubs from Armstrong sent contestants to the same fair and came back with the trophy for swine judging. Early in December the co-operative creamery in Vernon processed their millionth pound of butter during the past year. These facts, Mr. Speaker, will show we have a progressive group of farmers.

We have our troubles, too. I was pleased to hear our leader, the hon. member for Peace River, state in this debate a few days ago that we need a plan of flexible—I emphasize that word "flexible"—price supports for basic farm products. I am glad to see that the government is spending millions under the Prairie Farm Rehabilitation Act. I hope Saskatchewan gets its dam. You know we have dam troubles in British Columbia too. I still maintain, though, that our province is being discriminated against in that the full provisions of the act are not applicable to us.

I support every vote for funds for the Prairie Farm Assistance Act, and yet I realize that many changes are necessary to make the assistance fair and equitable. I commend the government for their prompt action in giving financial assistance to the apple growers of Nova Scotia when they suffered such grievous losses last summer. At the same time I condemn the government for their failure to listen to the plea of the Okanagan fruit growers when their orchards and crops were so badly damaged by frost last spring.

I mentioned that the Minister of Northern Affairs and National Resources (Mr. Lesage) was in my riding. From all reports he was highly pleased with his reception in Revelstoke, with the tourist attractions and with the possibility for development that exists there. I can assure the minister that he made a good impression there, too. I am hoping that his promises and proposals for expanding the Revelstoke and Glacier national parks, and improving the facilities for tourists, will be carried out. I think, though, the clear pure air of the district must have gone to his head, for he has since made fantastic proposals that concern us very much. These envision a tunnel to divert part of the water from the great Columbia river into the Fraser watershed.

We in the interior look upon the Columbia as our greatest asset. In fact, we understand that it ranks second to the St. Lawrence itself in power potential. We are anxious to see this great waterway developed. We especially urge that every effort should be made to speed work on the very important Mica creek project, with a progressive plan for other developments. We are suspicious of some of the proposals emanating from Ottawa in recent weeks. We regard this great waterway as a natural resource that belongs, first and last, to the people of the interior of British Columbia. We look upon this as ours, and we look with suspicion on any movement by the federal government to interfere politically with any development that we, the people of British Columbia, feel is in our own best interests.

We have heard much about provincial relations and provincial autonomy in this and the last session. The need for a federal-provincial conference is long overdue. I would urge that before this government takes any

action leading to further interference in provincial rights, the whole matter should be earnestly and quietly discussed around the conference table.

We have heard pleas for greater assistance to road construction. I made such a plea last session, but on this occasion I can do no better than to endorse the words used by the hon. member for Vancouver East (Mr. Winch) in this house a few days ago. The trans-Canada highway is of great importance in my constituency and I am anxious to have it completed. I could also talk about assistance for railroads. Despite the fact that this government has turned down every plea for assistance to extend the Pacific Great Eastern Railway, I am glad to see that our provincial government has sufficient courage and initiative to proceed with this great artery into the inland empire of British Columbia and Alberta.

The story of 1954 in British Columbia has been a story of one great achievement after another. I am not narrow enough to place all the credit for this at the feet of the Victoria government, but I will say when encouragement and assistance were needed, and where leadership was required, that government was ready and willing to help out. In spite of the great expenditures for development, the welfare of the people is not being neglected.

When the unemployment problem became serious at the coast, a plea for help was made to Ottawa. I am sorry to say that the Prime Minister (Mr. St. Laurent) politely told the premier of British Columbia that the province was financially able to look after its own unemployed. Perhaps that is right. We can take care of our own unemployed, but those who flock to the coastal areas, feeling that if they have to go hungry it is the nicest place in Canada in which to be hungry, create a problem that should not be left at the doorstep of charitable organizations or the British Columbia government. I was going to put on the record for this house the words written by the noted columnist the hon. member for Vancouver South (Mr. Philpott) dealing with the problem. This was so ably done by my colleague the hon. member for Red Deer (Mr. Shaw) the other day that I shall not repeat it. I can only echo his wish that the hon. member for Vancouver South is able to sell his splendid ideas to his government colleagues.

I trust that this government will yet assume their just responsibility toward our unemployed and formulate some plan to remove the problem from our way of life. I would also repeat my plea that this government and the government of British Columbia get together around the conference table and give the leadership that our people would like to have in developing our resources for the betterment of our province and for Canada as a whole.

Mr. H. J. Robichaud (Gloucester): In rising to participate in this debate may I be permitted to join with previous speakers in congratulating the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne. Both these newly elected members excelled in their difficult task and offer great promise for the future.

Unlike the hon. member for Vancouver East (Mr. Winch) I was pleased to be reminded in the speech from the throne of the opportunity which was given to the people of Canada of once more extending an affectionate welcome to Her Majesty Queen Elizabeth, the Queen Mother. I was also pleased to hear mentioned the visit of the consort of our sovereign, the Duke of Edinburgh.

Notwithstanding the statements made by numerous speakers from the opposition side of the house, I feel that if one wishes carefully to scrutinize the contents of the speech from the throne he will find concrete evidence of the sound policies of the present government.

In listening to the arguments evolving from some opposition members one would be led to believe that it was the duty of the present government to provide a perpetual scheme of unemployment insurance which, if applied, could easily create a complete disruption in the labour forces of this country. The bill amending the Unemployment Insurance Act to provide for an increase in the duration and scale of winter supplementary benefits will be most welcomed by the labour classes of my constituency, where a large proportion of the employment is seasonal. We are given to understand that later on this session a further amendment will be considered, designed to make unemployment insurance a more effective instrument for providing financial support to unemployed workers.

Fishing operations in my constituency are purely of a seasonal nature. It is true that a number of fishermen are owners of their fishing vessels, and it may be a rather difficult problem to have them qualify for unemployment insurance benefits. A larger number, however, are either fishing on wages or are sharing in the gross revenue of their landings. These men are engaged in fishing when employment is available during the summer period. After November 15, or at the latest December 1, fishing operations are curtailed

by ice formations along our shores. At such a time it is almost impossible for any of these fishermen to secure employment for the winter period. If we are to maintain a flourishing fishing industry, if we want to keep our younger generation interested in following the steps of their forefathers, it is essential that amendments designed to include those fishermen under unemployment benefits be considered at the earliest possible date.

Amendments to the National Housing Act, providing for loans for home improvements, will stimulate further the construction program. I say, Mr. Speaker, at this point that the opening of a Central Mortgage office in the town of Bathurst in my constituency in the spring of 1954 has been most beneficial. From this office alone loans amounting to well over $500,000 have been approved in the first six months of operation. This statement might be a revelation to the hon. member for Burnaby-Coquitlam (Mr. Regier) who stated in this house, a few days ago, as reported at page 119 of *Hansard*:

> When you see a new house in certain parts of New Brunswick you really lift up your head to look because it is something new, whereas in other parts of Canada new houses are a thing of almost everyday occurrence.

If the hon. member visited New Brunswick with the same perception with which he glanced at Montreal and the province of Quebec, no wonder he is concerned with a possibility which could more readily apply to his own district. It is rather difficult for anyone to reconcile the garden of Eden described by the hon. member for Burnaby-Coquitlam with the plea for assistance to unemployment presented on the same day by the hon. member for Vancouver-Quadra (Mr. Green).

The introduction of amendments to accelerate the elimination of level crossings will provide additional employment and create further safety measures for our fast growing population.

Legislation providing facilities for loans to fishermen similar to those provided to farmers by the Farm Improvement Loans Act will no doubt create further interest among our fishermen. This legislation, when approved, may not meet with the full approbation or satisfaction of all fishermen; nevertheless I am confident that its application will relieve hardship and provide to a large number a purchasing power which will result in increased efficiency and subsequently in additional earnings.

Reports from a recent fisheries research board annual meeting held in Ottawa indicated the discovery of substantial scallop beds in the gulf of St. Lawrence. Fishermen from my constituency have reported in the last few fishing seasons the appearance of scallops along the bay of Chaleur coast and in the proximity of Miscou island. The development of this type of fishery would mean additional revenue to our fishermen and I would suggest, Mr. Speaker, that during the 1955 season every effort be undertaken by the fisheries research board to carry on investigations and surveys in the area just mentioned.

The oyster production in New Brunswick reached a record of 37,000 barrels in 1949. Since then this most important fishery has been gradually decreasing from year to year, and when the figures for 1954 are published, I am afraid they will show a further reduction of this variety of shellfish. Oysters are found in the sheltered waters of the southern part of the gulf of St. Lawrence, and only during half the year is the water warm enough for feeding, which causes a slow growth and a limited and uncertain reproduction. It is generally recognized that the natural production of oysters in Canadian waters is not sufficient to meet the demand. It is also an admitted fact that restrictions on the fishing season, on sizes and on the gear to be used do not provide adequate protection for this luxurious shellfish.

Gloucester county is one of the larger oyster producing areas in eastern Canada. Our Shippigan and Caraquet oysters have acquired a nation-wide reputation. It is most urgent that the fisheries research board of Canada, in co-operation with the Department of Fisheries, carry out further investigation to improve the position of this industry. Unless new methods of oyster culture are discovered and large scale trials of cultivation are applied without further delay, I am prepared to predict that within the next five or six years this industry will drop to a new record low, which is causing great concern among our interested oyster fishermen. I suggest, Mr. Speaker, that the Minister of Fisheries order an immediate survey of the situation, and that steps be taken at once to expand and improve, if possible, the facilities offered in this connection by the fisheries research board.

Amendments to the veterans welfare legislation or to the War Veterans Allowance Act to raise the basic rates as well as the ceiling on permissible incomes of recipients of allowances will create satisfaction throughout this country.

Early in the year a fire destroyed completely the Keymet mine mill which was at the point of starting its operations. Without losing a single day the management ordered the immediate reconstruction of the destroyed

structure, and within a few months the new ore concentrator at Keymet was in full operation.

The base metal discoveries of 1953 in the Bathurst area, which were mentioned by the *Mining World* as the discovery of the year, were further implemented by the remarkable find of American Metal in the adjoining area early in 1954. With the Keymet mine already producing and a second mine ready to resume operation at the site of Brunswick Mining and Smelting, Gloucester county is gradually being recognized as the birthplace of a gigantic new mining field of great significance to the general economy of New Brunswick.

Every effort should be made to see that a zinc smelter, which is urgently needed in eastern Canada, be erected in the logical site offered by Gloucester county. The possible additional secondary industries which may spring up as a result of these new mining discoveries could be equal in importance to the mining and smelting operations. We have to offer in the proximity of these mining sites year-round water shipping facilities unequalled by any base metal mines now operating on Canadian soil. Recent hydrographic surveys have shown that Gloucester county offers facilities for the establishment of a year-round port with sufficient water depth for ocean-going vessels. This factor must not be neglected when the normal development of these mines takes place.

Numerous advantages would be derived if these developments could be followed by the construction of the Chignecto canal. Mineral ores from Ungava could then be processed in Gloucester and follow through this canal the short route to United States outlets.

Unfortunately, at the present time New Brunswick is faced with the major problem of providing adequate cheap power to facilitate the growth and expansion of these newly discovered mines. We have heard recently of the Beechwood project on the Saint John river, and of the possibilities offered by oil shale in Albert county. The water flow of the Saint John river is limited, and even the realization of the Beechwood project will not answer the problem by offering the large block of cheap power needed for the establishment of a flourishing mining industry and the subsidiary or secondary industries which would follow.

I am often wondering if coal, which exists in large quantities in New Brunswick and the neighbouring province of Nova Scotia, has been investigated to its full potentiality as a steam-generating facility. What a boon for the maritime provinces if in the near future a method could be found whereby cheap power could be generated from steam. The matter is worth considering and should be studied further by the research council of Canada. Furthermore, Mr. Speaker, the possibility of the commercial use of atomic energy as a power-generating factor seems to be coming closer to reality. When the day comes when practical use of atomic energy can be applied commercially to generate cheap electric power, may the province of New Brunswick be favoured with the first pilot plant of this kind.

On Friday last I listened with interest to the Minister of Agriculture (Mr. Gardiner) quoting suggestions made by some hon. members in connection with the construction of the South Saskatchewan river project. Mention has been made of the Canso causeway, of the St. Lawrence seaway, of the trans-Canada highway, of the removal of Ripple Rock and other projects. This reminds me of a most unfortunate situation which exists in the lower end of my constituency of Gloucester. At the northeastern end of the province, with the bay of Chaleur on the west and the gulf of St. Lawrence on the east, are located the islands of Shippigan and Miscou. On the island of Shippigan alone over 5,000 inhabitants are living who depend almost entirely on fishing for a livelihood. The distance from the island to the mainland is slightly over half a mile and transportation consists of a cable ferry. Unfortunately, during the winter months the operation of the ferry is prevented by heavy ice formations, and these island residents have to use the ice bridge to communicate with the mainland. During the freeze-up period in late fall, and during the moving of ice in the spring, these poor inhabitants are left for weeks at a time without communication with the mainland. Those who have decided to take risks on insecure ice blocks have taken chances which, in many instances, have resulted in loss of life.

The cost of construction of a bridge to the mainland is greatly increased on account of navigation which has to pass through this channel. The entire Gloucester county fishing fleet uses this passage on its way to and returning from the fishing banks. This necessitates an open span or a bridge with an overhead clearance of approximately 40 feet at high tide. In view of these being navigable waters, I would suggest that the federal government consider the possibility of contributing its share to assure the construction of a bridge between Shippigan island and the mainland, thus relieving this unfortunate population of hardship and unnecessary worry.

(*Translation*):

As one of the representatives of French Acadian origin in the house, may I be permitted, at the beginning of this memorable year 1955, to salute, in my mother tongue, my French Acadian compatriots who this year celebrate the second centenary of the deportation of 1755.

The celebration of the second centenary of the deportation of the Acadians will mark an epoch in Canadian history. Mr. Speaker, the members of the house may rest assured that it is not our intention to revive a certain resentment brought about by a sad and unfortunate period of our people's history, but rather to mark officially and solemnly the rebirth and the survival of a small group who, exactly two centuries ago, had been condemned to dispersal and to almost certain destruction.

History tells us that out of some 15,000 to 16,000 people who had been deported in 1755, fathers, mothers and children of all ages banished from their homes, 6,000 to 7,000 only survived the innumerable hardships and miseries that were to be their lot. Through a miracle that cannot be ascribed to any earthly power, those few thousand exiles, that martyred people of the past, multiplied and rose again with such a determination to survive that they succeeded in overcoming the numerous obstacles which threatened their miraculous survival.

The descendants of that small people, banished and dispersed as a result of the "great disturbance", number today, after two centuries, more than 1¼ million. Almost 300,000 Acadian descendants now live in the maritime provinces. Another 300,000 are scattered over the Gaspe peninsula and other parts of the province of Quebec. We find 100,000 of them and even more in the New England states and more than half a million have settled in Louisiana. In my own constituency, I am happy to be able to salute some 50,000 people of French Acadian origin who will take part with me, this year, in the celebration of our second centenary.

At the very moment when I am addressing this house, an impressive delegation of 135 members from Quebec province and the maritimes are being officially entertained at Alexandria, Lafayette, Baton Rouge and, more precisely today, at New Orleans. Nearly half a million descendants of these unfortunate exiles of 1755 now live in these Louisiana cities and towns. Those who, through destitution, difficulties, demoralization, perhaps, were prevented from making their way back to the forsaken land of Acadia chose that corner of the North American continent, wherein they had been carried by wind and wave, to make for themselves a new country.

With faith in God and Providence, the Acadians have retained the customs and traditions of their ancestors, as well as that gentle tongue of which, even now, you may be able to notice some overtones. Our Acadian people live in complete understanding with Canadians of British and other origins. They are peaceful and brotherly people, proud of their revealing survival and of their long and arduous rise to a place in the sun. The Acadian has preserved his love for the evergreen forest and his attraction for the almost enchanting and hypnotic breath of the ocean which offers him also the sight of the sun rising and setting magnificently in its glorious waters. This love for the sea and for the forest perhaps explains the irresistible propensity of the Acadian to seek a place close to the ocean. These sons of the exiled have become fishermen unfearful of the offing and unmindful of the hardships of the climate and storms, and are admittedly unequalled when it comes to felling trees in virgin forests.

Years, generations, have passed. Acadia, which was deemed forever destroyed, carried on patiently her reconstruction in the background. By a seldom empty cradle, the Acadian mother continued, and still does, to hum the old French songs and keeps on teaching persistently faith in God and respect for the authority. The cradle of the Acadian family is perhaps the secret of this miraculous survival.

In the cultural and social fields, the awakening and the progress are perhaps more obvious still. In the maritimes, Acadia today has her colleges and her universities: Ste. Anne college, at Church Point, in Nova Scotia; St. Joseph University in Memramcook, with its extension in Moncton; Sacred Heart University in Bathurst and St. Louis College in Edmundston. Notre Dame d'Acadie College for girls and several convents provide our young generation with a solid education based on principles which safeguard our language and our faith.

Today Acadia has, in the religious sphere, its archbishop, its bishops and a goodly number of priests, brothers and nuns. In the political field we are proud that one of Acadia's sons became the premier of a province, while some others have represented us

creditably in the federal cabinet. We have our own judges, our own lawyers, our own doctors and our own engineers; we have in every profession representatives of whom we can be proud. We have also, in Acadia, our own French radio station and our own mutual insurance association, the Assumption Society. In the industrial and commercial sphere, our own people have forged ahead and now hold the foremost place in many branches of that field.

In a few weeks, to commemorate the bicentenary, one of our colleagues in this house, the member for Bonaventure (Mr. Arsenault), who is descended from that race which would not die, will honour us with a book bearing a most appropriate title: *L'Acadie des Ancêtres*. That book will throw more light on the genealogy of the early Acadian families. In simple and easy language, the author will strive to bring back to life, in these few pages, the names of the founders and pioneers of the Acadia of bygone days. We will see names like Arsenault, Boudreau, Boucher, Chiasson, Doucet, Dugas, LeBlanc, Landry, Léger, LeBouthillier, LeBreton, LeMenager, Melanson, Michaud, Poirier, Richard, Roy, Robichaud, Savoie, Veniot and many others whom it would take too long to mention.

Mr. Speaker, I conclude by saluting this definite revival of the Acadian people. May Acadia be ever prosperous and keep on progressing towards the achievement of her destinies on American soil.

Before resuming my seat, on behalf of my compatriots I tender an official invitation to the Canadian people at large to take part in the magnificent celebrations that will mark the second centenary next summer at Grand Pré, Moncton, Caraquet and many other centres of the maritimes and Quebec. We also hope that the Canadian government will take part, in a concrete manner, in the celebration of the second centenary of the deportation of 1755.

(*Text*):

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, this debate on the address is, of course, one of the two parliamentary milestones; the mountains, you might say, we climb as the session progresses. The other one is the debate on the budget during which theoretically every citizen through the mouth of his member of parliament can present his or her grievances.

But this occasion, I am afraid, is looked upon by many as something of a bore. They forget the fact that the history behind this address in reply to the speech from the throne goes back to the very foundation of our constitution. They also forget that men risked their freedom and indeed their lives to make sure the executive, which presents its demands in writing before parliament, is made to account for those demands, and that through this means members of parliament now have a right to present their own views before dealing with those of the executive.

It is true, I am prepared to admit, that this principle might sometimes be abused. We have perhaps seen examples of that abuse in this house on more than one occasion. On the other hand we also see examples, as we did last week, of how parliament can deal with important or emergency matters efficiently and within a few hours.

It is therefore much better that members of parliament be permitted to bring too many things before the house than that they be curtailed in any manner. We sometimes hear suggestions that discussion should be curtailed, but I for one would oppose any such curtailment with all the power I can command.

It is conventional on these occasions to congratulate the mover (Mr. Leduc) and seconder (Mr. Carrick) of the address in reply to the speech from the throne. I think perhaps, as they do in the United States congress, it would be more efficient if we took that as read and passed on to something else. Nevertheless, having gone through that experience myself in a different place, and knowing something of the trial it is to a new member, I wish to join with those who have gone before in extending my congratulations to the two hon. gentlemen who performed a very difficult task in a most exceptional manner.

If I may be permitted a personal word, I would also like to welcome into this house another new member, namely the hon. member for St. Lawrence-St. George (Mr. Richardson). I would have preferred to see another member enter the house on the behalf of the Progressive Conservative party, but if there has to be another Liberal here I am very glad it is the hon. member I have mentioned because after all he is a Nova Scotian, a graduate of Acadia and of the Dalhousie law school. With that background I am quite sure he will overcome the handicap of belonging to the political party of which he is now a member and make a real contribution to the debates in this house.

I am also glad to welcome the new Minister of Transport (Mr. Marler). Most of us do not know him very well. If you go into the office of your bank manager you wonder when he stares at you just what kind of

glass eye he has, and whether you will succeed in arousing his sympathy. But the new Minister of Transport seems very human, and he sat for many years in another place similar to ours. He must have made requests to the government and had the feeling of being frustrated and denied. He will therefore have a good deal of sympathy for those who make requests from this side of the house, and I can assure him we will exercise our right to make such appeals.

Since he is now here—and I do not mean that he is not always in his place—I wish to bring to his attention one matter in the speech from the throne which bothers me a great deal. Before I do that, however, as I am going to indulge in a word or two of criticism, perhaps I had better for the time being maintain this atmosphere of kindliness and good will.

There is another matter to which I want to make reference and which is referred to in the speech from the throne, namely the damage done to Nova Scotia by "Hurricane Edna." In that connection I want to express my appreciation and that of the people whom I represent to this government for the sympathy and practical co-operation which they extended to the fruit growers of the Annapolis valley. It is a devastating and terrifying thing to see what happened in this valley, which survived the vicissitudes of the war and while not perhaps overcoming the exchange difficulties, nevertheless faced them and brought the orchards back again into production with the finest apple crop which has ever been produced down there; I do not mean the largest, but the finest.

With the prospect of the British market opening up, and with harvesting only a few days away, in a few short hours we saw 60, 70 or 80 per cent of the crop thrown to the ground, when everyone's credit was extended to the very limit in the effort to bring that industry back as it was being brought back.

That was the situation we faced. As I said before, I want to express my appreciation to the government and particularly to the minister from Nova Scotia and to the Minister of Agriculture (Mr. Gardiner), with whom I dealt on various occasions during that time and who always showed the greatest interest in this matter. I know the people greatly appreciate what was done.

I should also like to pay a tribute to the efficiency of the officials of the Department of Agriculture who went down to that valley and handled a situation which was, to say the least, rather novel. Karl Conger and others went down from here and within a few short days they evolved a system which was hammered out by trial and error, but it was more trial and less error than one would expect; it worked exceptionally well. As a result, instead of a disaster which could have completely wiped out the fruit industry of Nova Scotia, at least we were able to survive and the people there can look to the future at least with courage, if not with too much optimism.

In that connection I think I should say also that although we suffered severely, two or three weeks afterwards when we read of the disaster which occurred in Ontario and of the terrible loss of life in and around Toronto, we realized how fortunate we had been in that our loss was entirely material and not both material and physical, such as that which was suffered elsewhere.

As I have already said, there is one matter in the speech from the throne that I want to bring to the attention of the Minister of Transport (Mr. Marler). Dealing with the ferry service, the speech from the throne reads as follows:

> It is expected that, in the course of the coming season, the new ferry between North Sydney and Port aux Basques will be in operation and the ferry service between Yarmouth and Bar Harbor started.

Ordinarily one would pass by that paragraph without question. But having dealt with this matter for six years now and having followed the many statements with respect to this ferry during that period, I am wondering whether there is a play on words being made between "being in operation" and "started". This ferry, Mr. Speaker, has started and stopped more often than any other ship ever built, not excluding Noah's ark, and its history goes back almost as far. I went to the trouble of getting extracts from statements made by the minister—I am not going to weary the house by going into details; it was not the present minister, of course, but his predecessor and other ministers—dealing with the course of construction of this boat. The story of Alice in Wonderland has nothing whatsoever on this story. When the minister speaks I hope he will tell us what is the difference between being in operation and starting. We do not want this one to stop. We want it to start and not stop. It has been a matter of stopping and starting up until now.

Away back in 1949 the then minister read an official statement in which he said this boat would be completed in time for the 1951 tourist season. Let me just interject this remark with regard to tourists. I think perhaps too much emphasis is laid on the fact that this is supposed to be a ferry for the benefit of tourists and, therefore, of course,

for the benefit of our economy. It is true that we are tremendously interested in the tourist industry. It is true that we hope this ferry will accommodate hundreds and thousands of tourists coming into the maritime provinces. But there is much more to it than that, Mr. Speaker.

In Nova Scotia, particularly perhaps in my own constituency in the Annapolis valley, we grow large quantities of small fruits, such as strawberries, cherries, peaches and fruits of that kind. We need access to the United States market. We need access to Boston and New York. With that ferry in operation and operating on a proper schedule, we shall be able to put refrigerated trucks or even ordinary commercial trucks out of the valley and into the Boston market within a few hours.

This matter is therefore of importance to more than the tourist industry. It is important to the farmers. It is important to the fishermen. They are all getting fed up with the delays which have characterized this service. As I said before, we were promised it in 1951. Incidentally, I may say that we were then told that its cost would be $3 million, of which Nova Scotia would pay $1,500,000. The province drove a fairly good bargain and agreed to pay not more than $1,500,000 or 50 per cent, whichever was the lesser. I notice the figure is now over $5,100,000. The cost is certainly much greater than anticipated. From the standpoint of economy, I hope the minister will get this boat going fairly soon. Otherwise the cost may run up to $9 or $10 million.

As I said before, the whole thing has been a comedy of errors. After he said it would be ready in 1951, and then in 1952, we were told it could not be built because of the shortage of steel. Yet two days after the minister made that announcement that it could not be built because of the shortage of steel he went into his own constituency—as, of course, he had a right to do; he was the member for that constituency—and announced that the construction of the St. Lawrence waterway was to be commenced at once. It did not get commenced at once, I must say; but it did not add to the good feeling in the province of Nova Scotia to be told that a boat which would take a few hundred tons of steel could not be proceeded with because we did not have the steel, but that we were going to proceed at once with the construction of another public work which would take infinitely larger quantities of steel.

Finally we arrived at the stage where they were going to let the contract, Mr. Speaker. Apparently the contractor had some suspicion with regard to the plans. The ship was to have a speed of 18½ knots, I think. After the naval architect for the department had prepared the plans, the contractor said he was not satisfied, and that he wanted a model. A model was made, and it was then found that the ship could not attain the speed which had been ordered, and also that it did not have the required stability. I understand that is a euphemism for saying that it could not go ahead and that, if it did go ahead, it would upset. Let us remember that this boat was to traverse some of the roughest water in the world. So again there was delay. The matter has been delayed and delayed until finally it is actually coming under the aegis of the present minister, although of course he is not responsible for it.

We heard there was to be a launching. All the preparations were made for it. The government bought a bottle of champagne. They wrapped it up in fancy tissue paper; I have no doubt about that. A very charming lady was chosen to break the bottle of champagne over the bow. A silk cord was bought by means of which to swing the bottle to be smashed against the bow. Then somebody started to think perhaps they had better look into the ship in order to find out what was in it. When they did so, what do you think they found? They found they had forgotten to order the worm gears for the engine. Therefore there was no use in launching it, because if they launched it they would not be able to get it out of port. They checked up and found that the order had not gone to Great Britain for the worm gears; and that worm gears were supposed to have been ordered over a year ago. Worm gears, incidentally, are not little bits of things. They are what transfer the power from the engine to the shaft. So the matter has been delayed again. The hon. member for Greenwood (Mr. Macdonnell) looks at me incredulously but these, sir, are facts that can be established. The champagne will keep, of course.

Mr. Brooks: Not in the province of Nova Scotia.

Mr. Nowlan: The champagne is in Montreal, not Nova Scotia. I thought, without being uncharitable or unkind, is that not somewhat in keeping with Liberal promises and Liberal performance? They buy their champagne but they forget to buy the worm gears. I hate to disillusion so early a new minister coming into the house, but I want to assure him that if he has been reading the press clippings of his department or of his colleagues and has believed them he is in for sad disillusionment, so we might as well disillusion him right now.

Incidentally, we had an election in Nova Scotia in 1953, and part of the Liberal publicity at that time was a full-page advertisement showing this steamer cruising across the sheets of the Halifax *Herald* with a bone in her teeth. She must have been making 15 or 20 knots an hour. This was one of the performances of the government on the basis of which they asked for re-election.

When I look at the statement the minister made last year, which I did not read analytically until today, I find something that is rather mysterious. The contract was signed on December 31, 1953. What the contract was for I do not know, because the keel was laid on July 30, 1953 and the launching took place on November 8, 1953. It was launched about six months after the election, but still it was launched some considerable time before the contract was let. It is no wonder the contractor has had difficulties about the matter.

I think the minister will perhaps understand now why I am slightly concerned about what has happened. We down there in the east want some assurance about this matter, because I can tell the minister that the public are angry and frustrated with respect to it. To be fair in that connection, and I want to be fair, I should also add that so far as the construction of the Canso causeway is concerned, it has been proceeded with expeditiously and efficiently. I think a very good job was done which will be of service to the province and for which due congratulations should be given.

Since the minister is in the house, and because he has sat in opposition, and because I know he is a sympathetic man and will listen at least with patience to the pleas of the opposition, even if repeated, I can perhaps trespass on the good nature of the house to make one other plea which I have made before. I ask him to discuss with his departmental officials the inauguration of a coastguard service on the Atlantic coast. The other day the hon. member for Oxford (Mr. Nesbitt) made this suggestion with respect to the great lakes. I have no doubt it was a sound and proper suggestion, but I can assure him it is even more justified in so far as the Atlantic coast is concerned. The minister's predecessor always listened sympathetically, shook his head and said it was not necessary and could not be done. He said the search and rescue squadron of the R.C.A.F. was now performing functions which obviated the necessity for a coastguard service.

I do not want to depreciate one little bit the services of the search and rescue squadron. It is based in my constituency, and I know what these men do; but aeroplanes cannot land on rough waters and high seas. The minister from the province knows full well, because he comes from a maritime constituency where men go down to the sea in ships, that every year boat after boat comes drifting ashore, boats that have been lost for days. The men are either dying or sometimes even dead, and the evidence is all too plain that they have died within the last few hours. If some kind of co-ordinated search could have been made their lives would have been saved.

I do not think it would amount to a tremendous expenditure. I do not know, of course, but there are many ships in the department. There are the fisheries inspection ships and so on. There is the search and rescue squadron. I think what is needed largely is co-ordination and direction. We are in the position down there that when we need help we have to appeal to the United States coastguard service. I must say that it, of course, is one of the most efficient coastguard services, I presume the most efficient in the world. It has rendered yeoman service, but one does not always want to be applying to the Americans for help, and it is very often difficult for them to render that help anyway. We are told that we have to go to the NATO pool for shipping and that we have to go to the United States for coastguard service. I doubt if that is fitting for a maritime nation such as our own. I hope the minister will take this request under consideration again, and see if something can be done to inaugurate a coastguard service. It is badly needed, will serve a most useful purpose and, as I said, I think without too much additional expense.

There is another minister who has changed places since we spoke last in the house. He has not sat in opposition, but I should like to renew to the Minister of Finance (Mr. Harris) an appeal I have made on different occasions and which I am going to continue to make as long as the present situation exists. I am asking that the question of grants to universities be reviewed and reconsidered, and that the system be amended by the government. As far as the grants themselves are concerned, I believe we all commend the government for them. I think we recognize that today universities are playing a more and more important role in the life of the nation, and that to some extent at any rate they are a national responsibility.

Without universities our industrial and scientific production, even our civil service, would not be able to function. All one has to do is look at the advertisements appearing from day to day for men for the civil service to see the emphasis which is placed upon university graduation. Yet the universities are caught, as everyone else is, with higher

costs. Because of high taxation and succession duties the beneficent gifts of the old days, the large, substantial donations, have unfortunately decreased and in many cases virtually disappeared, leaving the universities with reduced funds.

The problem is an increasingly difficult one. Universities today are financed more and more on the tuition fees charged students. The problem has increased alarmingly in the last few years. It is a problem, of course, which I am sure the government will have to look at in a far wider field within the next five to ten years, because we are just on the verge of a new problem with respect to universities. Everyone realizes that between 1960 and 1965 we are going to commence to get the influx of students who were born at the time of the wartime prosperity increased birth rate. The physical plant of every university will be taxed to the limit. The faculties will be taxed. Facilities will have to be increased tremendously, but in the meantime they have not had the financial backing to maintain their present operation, let alone the expansion with which they will be confronted. I know that presents a national problem of far greater financial significance than the one I am mentioning at the moment.

To come back to the present, what is the situation? I think most hon. members are conversant with it. The dominion government makes available to the provinces 50 cents per head of population. Then the province distributes the money among its approved colleges. That at least is an advance over getting no assistance whatsoever. But how does it work out?

In the province of Nova Scotia we have a relatively small population for which we get 50 cents a head, and that money is made available to the universities. We have several universities in the province. Some will say that we have too many, but their roots are in the ground, they are established, they have rendered service to this country and are going to continue to render that service. We have no state university whatsoever in the province of Nova Scotia. None of the universities of the province get provincial grants at all, as is the case in most of the other provinces of Canada.

We do have professional schools in Halifax, and at Dalhousie we have law, medicine, dentistry and pharmacy which attract students from all over the maritime provinces and beyond. I know that in my son's class, the third year in law at Dalhousie, there are ten students from Ontario this year. The Nova Scotia technical college attracts engineering students from Mount Allison and the University of New Brunswick as well as other places. They are all charged up against the per capita payment to Nova Scotia.

I am not going to deal with the situation in detail, Mr. Speaker, but I communicated with the Department of Finance today and in these figures I have given you illustrations of how the existing system operates. In Newfoundland the university gets $477 per student because that province has only one college, as I understand it, and the registration apparently is not too large. I believe they have 401 students. At 50 cents per head of population they get $191,500 or $477 per student in that college. Prince Edward Island gets $209 per student, and then these grants drop down. Those are the two highest. Ontario gets $144 per student, Alberta $158 per student, and then there are three, Mr. Speaker, below $125.

In Nova Scotia this year, according to the department, we are going to receive only $89 per student as compared with $477 in Newfoundland and $209 in Prince Edward Island. Manitoba will get $10 more, or $99 per student. British Columbia, which apparently has a tremendous student body of 5,616, will receive only $109 per student. You have, therefore, three provinces in Canada that will receive less than $125 per student.

I have made this suggestion before, Mr. Speaker, and I am urging it again. As I said, we have a new Minister of Finance (Mr. Harris) who knows something of the experience of smaller universities. I know there are others in the government who have experience with universities. I am urging again that the government maintain the present system if that is their desire, but on the basis of a guaranteed payment of $125 per student as a minimum, or 50 cents a head. In that case the grants will be increased for only three provinces, Nova Scotia, British Columbia and Manitoba. The total involved will be relatively small, but it will make a substantial difference to the universities in those provinces.

I can assure you, Mr. Speaker, it will make a tremendous difference to the universities in Nova Scotia, where we now feel we are carrying a burden for all of eastern Canada. As a result we get the smallest grant of any province in Canada.

I am wandering somewhat afield on these matters, and I want to shift to another matter about which I have been intrigued during the last little while as the result of reading a series of articles which appeared in the Halifax *Chronicle-Herald*. There has been some discussion about this matter pre-

viously. I want to bring it before the house at this time, and I am not suggesting any solution. I do not know what the solutions are. I believe there is something here to which we should be paying attention. I refer to the problem of the British West Indies vis-à-vis the Dominion of Canada. At one time the British West Indies was one of our greatest markets. A man sitting within the sound of my voice at this moment said earlier in the day that ordinarily he shipped thousands of bushels of potatoes to the West Indies, but this year not a bushel is going down there. In 1947 our exports to the West Indies amounted to over $80 million. Then foreign exchange control was imposed by Britain and the dollars dried up. Their purchases have fallen off until they are now less than $40 million.

I suggest that is not a matter this government has anything to do with at all, but is a matter of foreign exchange control restrictions imposed by the British government. Last year I went to a board which is administered here by the Department of Trade and Commerce, for the sterling stabilization fund for the West Indies. I went on behalf of a constituent who wanted to ship 10,000 boxes of apples to the West Indies. Finally, after making many calls—that was not the fault of the officials—that board was able to provide enough dollars to enable us to ship 2,000 boxes down there. As I said, there was a market for 10,000 boxes.

I feel this example could be multiplied a dozen times. Perhaps I am interested in the problem because the West Indies market has always had a traditional significance for the maritimes. In the days of our old wooden ships we took our potatoes, lumber and fish to the West Indies and brought back fruit, molasses and spices.

An hon. Member: And rum.

Mr. Nowlan: Yes, we also brought back rum; there is no question about that. It was a very profitable trade, and I am told it was good rum. Before my day that trade dried up, so I cannot tell you about that. This trade was perhaps the background of the economic development of the maritime provinces; but as I said, it has almost entirely disappeared today. If something could be done to revive these markets it would be of direct assistance to the maritimes and Canada as a whole would benefit. I think there is a real problem there, Mr. Speaker.

Those of us who have been to the West Indies are somewhat shocked and appalled by the conditions which exist there. There is more food and yet probably more people verging on starvation there than any place in the world. You have people who are discontented, unhappy, poverty-stricken, living in hovels and in many cases under intolerable conditions. We are worrying about communism, and properly so. We have tried to assist in the Far East and in the Near East. We have our Colombo plan to which I give full support, and which I think should be extended even farther. I am wondering if we have not a problem right on our own doorstep which perhaps requires something of a Colombo plan. Something must be done because after all, without becoming an alarmist, every day we hear rumours. We know that only a little while ago there was trouble in different parts of the Caribbean.

You have a field there which is ripe for communism or anything else if something is not done in the relatively near future. The situation demands attention. I feel we should be giving some attention to that, and not merely because of the spread of communism. Whether it is in the form of a commercial union, whether it is in the form of financial assistance of some kind such as a miniature West Indies Colombo plan, or whatever the solution may be, there is a problem which is crying for attention. We are going to be forced to give it attention in the not too distant future, from the standpoint of national defence or any other way you want to look at it.

It is true that tourists go down there and create wealth; they bring money into the country. However, this also creates antagonism, especially when you see people flippantly throwing coins into the water for which the boys dive, and when they come back that is their penny for the day. This does not help create the good will which we are prone to boast about. I suggest some attention must be paid to this problem in the not distant future.

One could go over the problems which have been stressed by other members here. I do not propose to do that. We had a speech the other day by the hon. member for Red Deer (Mr. Shaw) emphasizing the problem of the coal industry. I could echo everything he said, and at a later date I intend to deal with that problem, but not at this time. Then there is the problem of agriculture. It is trite to say that agriculture is depressed. It is proper to say that. Of course there are many examples, individual ones, that point to the contrary.

I am not going to subscribe to all the theories that have been advanced for the solution of agricultural problems, but I think increased production and efficiency will go a long way to meeting them if we have markets

available for our products. Take our own fruit industry. One man with a power pruner attached to a power sprayer will prune more acres of orchard in a day than a dozen could do in a week a few years ago. In a day one power sprayer will spray more efficiently a larger acreage of orchard than formerly would be sprayed by four or five men in a week. Today the small unit, as in so many other branches of agriculture, is rapidly passing, from the standpoint of being an efficient producer. But unless you have markets, Mr. Speaker, the situation is really serious.

Although this government could be commended for things it has done—it could be commended for the extension of the war veterans' allowance, for the disabled pensions and a few things like that—I wonder whether the speech from the throne does show the vision, the imagination and the courage which are necessary to deal with the problems facing Canada today.

They talk about blasting Ripple Rock. I am sure that is of great importance to the people of British Columbia. It brings much satisfaction to my friend the hon. member for Vancouver-Quadra (Mr. Green). But I think it is the first time I can recall that constitutionally such language has been put in the mouth of the representative of His Majesty or Her Majesty—that a rock was to be blasted. When I read the speech it appeared to me that somebody had started optimistically with the first paragraph and the last paragraph, and had hoped to put something very important in between; but then something happened and they could not, so they just filled it in with this and that. Whether I am right in that I do not know. But Ripple Rock is there; the constitutional rock which threatened confederation was not mentioned. Perhaps that was obviated this afternoon. We shall see when we have an opportunity of reading the papers in connection with it.

I suggest kindly it is indicative of the approach which is being made by this government to the problems of today. There is nothing there which indicates the government is going to face the crisis confronting agricultural production and other problems.

I was intrigued by the C.C.F. amendment. It said that the government had gone back to uncontrolled and unrestricted free enterprise. When was there ever unrestricted and uncontrolled free enterprise in this country, Mr. Speaker? This nation historically has always been a nation of compromises. We were a small nation with a thin population strung north of the 49th parallel. From the beginning we had to compromise. We built the Canadian Pacific Railway with government assistance; then having built a so-called private railway, we afterwards took over a public one and operated it in competition with the private railway. We have a privately owned radio industry and a national broadcasting system as well. In no country in the world has there been a greater degree of successful compromise evolved between private enterprise and the state. In that way we are evolving, perhaps slowly, certainly not colourfully, not dramatically, a distinct Canadian nation with a distinctly Canadian culture and background. It is certainly not one of unrestricted and uncontrolled free enterprise, I can assure you of that; but I do think that we are perhaps not facing up to other problems.

I am intrigued by my hon. friends on the left talking about raising the old age pension to $65 a month. One can have sympathy with a proposition such as that. One knows that it is made sincerely, but I wonder when in this country we are going to create an atmosphere in which there will not always be pie in the sky for someone. I was rather shocked a little while ago when I received a letter from a constituent who told me he had his gall bladder out, and he now wanted a gall bladder pension. I presume that other hon. members have had the same experience. I think the time has come when in this country we have to produce more, and realize that there is no pie in the sky for all.

I do believe that the speech from the throne does not face this situation at all. It was written in a sort of languorous attitude on a late summer afternoon with the shadows of the setting sun falling across the page of the speech that was being written. It was not written in the bright, crisp sunlight of the early morning, when inspiration and action would be demanded.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise to support the subamendment. I do not want to indulge in any unnecessary verbosity and repeat the excellent arguments put forward by a number of speakers in this group in support of our criticisms and various proposals, but I wish to make a few comments this afternoon.

I must say I personally was very pleased indeed to learn that there are going to be improvements in the war veterans allowance, and I am sure we all await with great interest the introduction of the bill. The announcement of those improvements have been very cheering words to many veterans and their dependents. We are also glad to note that the government is giving notice of the re-establishment of the veterans affairs committee. Once again, Mr. Speaker, I should like to make a plea that this committee be made a permanent committee of this house.

It could be a clearing house for veterans problems and administration problems generally, and it would offer advantages not only to the opposition but to the minister and the government.

I was also very pleased to see the amendment to the Blind Persons Act, to lower the age of eligibility and raise the income ceilings. I am sure that measure will be welcomed by all hon. members. I was also pleased to see the suggestion that there would be an amendment to the Railway Act to accelerate the elimination of level crossings. Many members have for years been advocating a more vigorous policy on the part of the government with respect to the removal of the dangerous railroad crossings in this country.

Then two other very interesting measures are amendments to the Electricity and Fluid Exportation Act, and a measure to control works which will affect the normal flow of rivers across international boundaries. These measures are of great importance to Canadians as a whole. I am sure when they are under discussion they will create great national interest. They are of great importance to British Columbia, and of particular importance to the people whom I represent.

I intend to speak at some length when these bills are under discussion, but I wish now to make a few comments on certain remarks made by the hon. member for Vancouver-Quadra (Mr. Green), when he spoke in the debate on Wednesday, January 12. At page 114 of *Hansard*, when referring to these measures, the hon. member had this to say:

> Insofar as the plans of the government with regard to the Columbia river system are concerned, we approve of anything which means the use of Canadian resources by the Canadian people.

That is just what the government intends to provide for. The hon. member went on:

> But I am afraid the story is not quite that simple. I believe this proposal is also designed as a club with which to beat the government of the province of British Columbia.

Later, on the same page and in the same speech the hon. member said:

> There must be co-operation between the two governments. I believe that both sides are sincere.

It seems to me a strictly illogical position to take to suggest that the government is using this legislation to beat the government of British Columbia over the head, and at the same time impute motives to that government which the hon. member considers to be sincere on this question.

I just want to say a word or two along this line because there has been some suggestion in the country that the government is acting unfairly, and I mention this because I am particularly anxious to see this question discussed on its merits. I am not a supporter of the government of British Columbia, and I am not a supporter of the government of Canada. However, I think this matter is so important that we should not have the whole situation fogged with the misunderstanding that it is purely a partisan and political matter.

United States interests have been very interested in the building of this dam since 1947. It has been discussed in congressional committees and by the Columbia basin committee of the United States; and it has been discussed by a good number of senators. In 1948 the United States Columbia basin commission passed the following resolution, which I quote to prove a point or two:

> Resolved by the Columbia basin commission that it hereby requests the international joint commission to direct its international board of engineers to give priority to studies and report on the storage of water in Arrow lakes, British Columbia, so that the commission may decide the amount of storage it will approve there, and if such report be favourable, that the Bonneville power administration and the United States, and the proper governmental agency of British Columbia and Canada, then proceed to negotiate for an agreement.

My first point is that in their resolution the commission recognizes the chain of responsibility—the international joint commission, the government of Canada and the government of British Columbia. Then the resolution goes on to say:

> —and be it further resolved, that the commission urge the state legislature, the members of congress from Washington, Oregon, Idaho, and Montana, the governors of said states, and the President of the United States, to join in the above request to the American members of the international joint commission and the premier of British Columbia and the Prime Minister of Canada to join in the above request to the Canadian members of the international joint commission in the hope that the threatened electrical catastrophe to the Pacific northwest during the next five years may be averted, and that, instead, both the United States and Canada may have increased development and prosperity and a stronger national defence.

I quote that resolution to indicate that the chain of responsibility on this question is recognized by governmental authorities in the United States.

I remember discussing this matter in 1949 with the late Mr. J. Webster, a member of the Liberal party and the member for the constituency of Rossland-Trail, who strongly urged the coalition government of British Columbia to conduct an investigation as a result of this request of the United States for the building of a low level dam on the Arrow lakes for storage purposes.

I am informed that the government of British Columbia did consider the matter, but after discussing it with other bodies and receiving technical advice and so on they decided not to proceed with it as they felt it was not in the best interests of British Columbia to proceed with the proposal. I mention this to indicate that the matter has been discussed before, and I am quite sure it is only fair to say that the attitude on the part of the government at this time in relation to this question is simply the continuation of an attitude that has existed throughout the years.

The attitude of the Canadian section of the international joint commission is indicated in a speech by General McNaughton to the Pacific northwest trade association, delivered at Spokane, Washington, on November 2, 1953, before these proposals ever came before the house. In connection with this suggested low level dam General McNaughton had this to say:

> As regards the storage on the Arrow lakes which was mentioned this morning, the project is very much in the mind of our engineering board, but it ranks less in possibility of over-all benefit from a basin point of view and very much less in possible benefit to Canada and in consequence we are giving priority to the Mica project.

This matter was also under discussion in the external affairs committee last session, and the hon. member for Vancouver-Quadra (Mr. Green) asked General McNaughton the following question which I find in the minutes of proceedings and evidence of the external affairs committee, No. 7, dated May 12, 1954 at page 175:

> Q. The actual construction could not be done until you people have approved?
> A. No, sir.

I just mention these facts because I for one am very interested in seeing that this whole question be discussed in a purely objective way, since the matters being decided concerning the Columbia river are of great importance to the people of British Columbia, and are of particular importance to the people I have the honour to represent. I would like to say further that many hon. members do not recognize the fact that if it had not been for the Minister of Trade and Commerce (Mr. Howe) turning down the request to divert Yukon waters to Skagway for the production of power for the production of aluminum, British Columbia would not now be having the opportunity to consider the Frobisher proposals.

I think under the circumstances it is not fair to suggest that the legislation proposed in the speech from the throne with regard to the control of waters flowing across the international boundary is designed as a club with which to beat the government of British Columbia.

Before leaving that argument I simply wish to say that as a result of the public interest in this question—and I intend to say quite a bit more on it at a later date—I hope there will be a meeting of minds, as General McNaughton put it on one occasion, between the government of Canada and the government of British Columbia, and that we can get together to develop the great Columbia river to our common and mutual advantage.

Mr. MacDougall: Well said.

Mr. Herridge: It is not usual for me to get commendation from the hon. member for Vancouver-Burrard.

I have said all I am going to say on this question. I do not intend to repeat the arguments used by the members of this group concerning the unemployment problem, but I do wish to deal briefly with a situation that is of serious concern to a number of my constituents.

I, like other hon. members of this group and some other hon. members of the house, regret very much that the government has not devised and proposed an over-all and long-term plan to meet the unemployment situation. In my opinion unnecessary unemployment is immoral, inhuman and definitely wasteful. I cannot see under our present conditions any necessity for Canadians who are willing to work to be unemployed if all levels of government accept their responsibility.

There again I do not like the idea of thrusting responsibility upon one government or another. On this, as on many other questions, I believe that the most satisfactory solution is going to come about as a result of co-operation among federal, provincial and municipal governments.

The fact that this is a serious problem is evidenced not only by the concern among members of this house but by the representations that have been made to this government by responsible organizations such as the Canadian Federation of Mayors and Municipalities, the Canadian Welfare Council, labour organizations, and many others. These are representations by people who live close to the problems. I believe that if you live in Ottawa too long you find yourself not very close to the people or to the problems of this country. Those who live close to the problem recognize the situation as it exists from day to day. These representations indicate a growing concern on the part of those people with respect to the situation, which we view very seriously.

I am concerned over the development of a long-term, over-all public investment program which I think under present conditions, when we consider what we are spending for defence, could be financed from taxes quite easily. If the situation developed further it could be financed on the national credit of this country. It has always seemed amazing to me that during a war we can meet any financial obligation that is required to defend our country and its interests, and rightly so, but in time of peace our financial hands seem to be palsied. We stand off and say we cannot do this or that. I am quite confident that if the federal government would give a lead in this matter and devise a long-term plan to meet this problem we could do something very effective toward removing any possibility of large-scale, serious unemployment in the future.

Now, Mr. Speaker, I am glad to see the Minister of Public Works (Mr. Winters) in his place. My constituents are pleased indeed that the new federal building at Nelson is now under construction. I have seen the plans, and that building is going to be a credit to the city of Nelson and the federal government. I am very pleased that tenders have been called for the new federal building at Castlegar, and I hope construction will be started as soon as possible.

I also urge the minister to use every possible means to get construction under way on the proposed federal building at Trail. We have quite a number of carpenters, mechanics, and other tradesmen unemployed in that area. The architect is now working on the plans, and I understand that is what is holding up construction. I would therefore urge the minister to do all he can to secure an early start.

When it comes to unemployment I am one of those persons who like to get value for the dollar. I do not believe in handing out money when it is unnecessary. Looking around my own constituency I asked myself what I would suggest as part of a co-ordinated municipal, provincial, and federal employment scheme. I can speak with some experience in this regard because I have built a good many miles of highway and quite a number of small bridges, and I know something about construction of that type. Certain projects could be undertaken in my constituency during a period of unemployment, and discontinued when spring arrived. In that way these projects could be carried out piecemeal, year after year, to the great advantage of the district, and the unemployed.

In our district we have miles of rock bluffs and narrow dangerous roads, some of which we have used for nearly 50 years; and they continue in that condition without serious attempts being made to improve them. We have some bluffs two or three hundred feet high at Coffee creek, Kootenay lake, which would be expensive to remove. We also have the Genelle bluffs near Trail, and the Cape Horn bluffs on the Slocan lake. Rock work is the kind of work on which you can employ a large number of men throughout the winter months, for considerable hand labour is required regardless of the compressors and other machines.

In our district we have a considerable number of unemployed miners, loggers and sawmill workers, and they would provide an ideal labour force for this type of work. I would suggest that under a dominion-provincial scheme we could chip away at these bluffs over a period of years.

As far as administration is concerned, I have gone into the whole question with a friend of mine who is an engineer, and I understand it would be a simple operation and would not require the establishment of camps, for most of the men could live in adjacent villages. After a few years, if work was undertaken on these bluffs, we would be able to travel on safe roads; but I would again emphasize that such projects could only be undertaken within the concept of a dominion-provincial plan.

I have also discussed with officials the possibility of building retaining walls during winter months at the cities of Nelson and Trail. Such projects would also require a considerable amount of hand labour and thereby provide employment for quite a number of men during the winter months.

On the Columbia river there is also serious danger of flooding at various places some years, and work is also necessary on the banks to prevent erosion. This has particular regard to the city of Trail, and that is another project that could be carried on from year to year whenever the situation required, if it were included in an over-all dominion-provincial plan. All that is required, as I see it, is the will on the part of the governments concerned to get together, use our resources and plan in order to make certain that we do not have any unnecessary unemployment in this country.

I am glad to see the Minister of Labour (Mr. Gregg) in his place, for I wish to say a word or two on another matter. This government has urged private employers to employ older people wherever possible. I believe the Department of Labour has carried out extensive propaganda in that connection. But this government does not practise what it

preaches. I could give several illustrations, but I shall not take up the time of the house and will therefore confine myself to one case in point. This case concerns a dual-war veteran who worked as a satisfactory and efficient field officer for the Department of Veterans Affairs for six years. He was retired and told that they would try to fit him into some other department as soon as possible. The man is able, physically fit, a pioneer in the district, and very competent. Last year he filled out an application for employment in the Nelson post office and passed both the oral and written examination satisfactorily. He is an excellent bookkeeper, has good handwriting, and considerable office experience.

Despite the fact that he came out on top of the list he was turned down by the department on account of his age. Here we have a case of a man turned down on grounds of age by a government which encourages the private employers of this country to employ older people as much as possible. In this connection I want to read a letter I received from Mr. Bland, chairman of the civil service commission. It reads:

Dear Mr. Herridge:

The Department of Labour has sent me a copy of your letter of the 3rd instant, addressed to the Minister of Labour, and of one sent to you at the same time by Mr. W. P. F. Green.

The commission and its officers give sympathetic consideration to the application of older veterans. Two questions, however, arise in this connection, the first being the determination of the veteran applicant who will give the best service to the department concerned in the vacant post, and the second being that of the willingness or unwillingness of departmental officers to accept for employment veterans whose term of employment will be relatively short.

That part of the sentence, " . . . the willingness or unwillingness of departmental officers to accept . . .", is most intriguing, Mr. Speaker, because it was written by officers of a government which urges private employers to employ older people as far as possible. The letter continues:

This is largely a matter of education and persuasion, rather than any hard and fast application of a regulation, and I can assure you that our officers are working closely with the Department of Labour in their efforts to provide useful employment for qualified veterans in the older age brackets.

I draw that to the minister's attention because I think it is a bit peculiar that the government, after having announced this policy, should not require its officials to carry it out when it comes to giving employment to older veterans.

Mr. Blackmore: Six o'clock.

Mr. Speaker: Does the hon. member wish to conclude his remarks, or call it six o'clock?

[Mr. Herridge.]

Mr. Herridge: I will call it six o'clock, Mr. Speaker.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Herridge: Mr. Speaker, when we took recess for dinner I was bringing to the attention of the house and of the Minister of Labour (Mr. Gregg) the fact that while this government has a policy of trying to persuade private employers to employ as many older people as possible, some departments were not giving effect to that policy. I read a letter which had been written to me by the chairman of the civil service commission in which he pointed out that the second reason for difficulty in applying the policy was the willingness or unwillingness of departmental officials to accept for employment veterans whose term of employment would be relatively short.

I want to protest most emphatically about the unwillingness of departmental officers to give effect to a policy that the government and the Department of Labour are urging private employers to accept. I hope there may be some remedy to this situation, and that we shall not have this buck-passing from the civil service commission to the officers of the various departments and back to the Minister of Labour. It is a serious situation because it means there are a good number of capable older people who could be satisfactorily employed, particularly in the lighter civil service positions, who are being denied that opportunity actually against the announced policy of this government.

I have just a couple of items still to deal with, Mr. Speaker. I am making to some extent what Mr. Michael Barkway would call one of my parochial speeches, which deal with local matters, but they are of serious concern to my constituents.

I understand that the government is giving consideration to the sale of certain veteran rental housing projects that have been established across Canada. One of these projects, namely the Sunningdale veterans housing project, is in my constituency. Of course, in giving consideration to the sale, they are giving consideration to the price. I have been informed by Central Mortgage and Housing Corporation that the contract price for the construction of these houses was $5,200 for a two-bedroom house and $5,800 for a three-bedroom house. I have made inquiries, and I find that the city of Trail has

assessed the two-bedroom house at $1,900 and the three-bedroom house at $2,100. Those assessments are on the basis of 60 per cent of replacement value. Those assessments have been approved by the provincial equalization board of British Columbia as being in line with standard practice and values.

The government has had rent from those houses for some years. They have had certain maintenance and administrative costs. But in addition to that, the veteran purchasers of those homes spent, in the majority of cases, considerable sums in improving the grounds around the houses, making fills and doing landscaping, planting and so on. Some of them have made extensive repairs and improvements to these houses. I urge that the minister give consideration to all these facts, when the sale price is being considered.

I understand that Central Mortgage and Housing Corporation is not operated for profit. I make a strong appeal that these houses be sold to these veterans in Canada at the net cost to the government at the time of the sale. I am sure such a policy would receive the support of the majority of the members of this house. The government would not be losing a cent. They would simply be selling houses to these veterans at the net cost at the time of sale.

I mention this matter because some of these veterans are somewhat disturbed at the prices they hear they might be expected to pay. For the life of me I cannot see why Central Mortgage and Housing Corporation should expect to make a dollar out of projects such as these. I am sure the people of Canada would be well pleased if these men receive these houses at the cost to the government at the time of sale.

Before leaving this question of housing I want to say that I listened to the extremely interesting speech the other day by the hon. member for Spadina (Mr. Croll). He usually makes an interesting and constructive speech. He dealt at some length with the housing situation. I was rather intrigued with the novel proposal he made—and I say "novel" because it is new as far as the government or the members of this house are concerned —urging the government to establish some form of equity insurance for the down payment on homes. As I understood his remarks at the time—and since then I have read them carefully—his proposal would not cost this country one cent. It might mean certain careful administrative arrangements and some little extra work for the department concerned, but I completely agree with his analysis of the situation, with his proposals and with the benefit that would accrue to the home purchaser without any cost to this country. I urge the Minister of Public Works (Mr. Winters), who is in charge of the housing act, to give serious consideration to this constructive and, in my opinion, forward-looking proposal.

I have come to the conclusion of my dealing with subjects that have been concerned with water and land. I now come to the air. For years I have been urging better facilities to improve radio reception in the northern half of my constituency, particularly. For years thousands of my constituents have not had the opportunity to listen to a Canadian radio station properly, and that situation exists at the present time. If they want to listen to a radio station satisfactorily, because of the mountainous terrain and unusual circumstances and the difficulties that prevail with regard to radio transmission they have had to satisfy themselves with listening to San Francisco, Seattle or some Central American station. Last year two low-power relay transmitters were established in my constituency, one at Castlegar, and one at Kaslo. I want to say that the people of the areas served by those low-power relay transmitters are delighted with their installation. For the first time in their experience as residents of Kootenay West they have had the opportunity to listen to the C.B.C. from seven o'clock in the morning until eleven o'clock at night, and they enjoy it greatly.

But their enjoyment has created a great deal of interest among those who are not now enjoying such radio reception. On December 20 last I addressed a meeting at which were present over 300 people from various points along the Arrow lakes, and they discussed this question. That meeting passed a resolution urging the government to take action to bring about the installation of low-power relay stations in Kootenay West sufficient to cover the balance of the district which is at present suffering from poor reception.

I urge the minister of the department concerned to give consideration to this appeal. While other people—and soon possibly the majority of the people in Canada—are enjoying television, I have thousands of residents in my constituency who have never had the opportunity, since radio was first instituted, to enjoy proper Canadian radio reception. I urge early action to correct this unnecessary and, in my opinion, most unfair situation.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I am happy to have the opportunity of again saying a word as the representative of one of the finest and most progressive ridings in Canada. That goes without question. Like other hon. members, I congratulate

and welcome the new members. I have personally congratulated the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne. I should very much like to welcome the seven new members of the page staff. They are vital to the life of this house, and they are great boys.

There are some things that we miss on this side of the house. For one thing, we miss the clock. The Minister of Labour (Mr. Gregg) tells me that there is therefore no limit on the speakers on this side of the house; but I can assure you, Mr. Speaker, that I shall not go my 40 minutes unless something happens that has not happened previously. I say with a good deal of feeling that, as I look across at his empty seat, I miss the Leader of the Opposition (Mr. Drew). I know the Acting Leader of the Opposition (Mr. Rowe) is doing a good job but, as I say, I miss the Leader of the Opposition. On former occasions he would sit through my speech for 30 minutes without batting an eye. Who would not appreciate that courtesy? We hope that soon, in answer to the quiet petitions of members of this house, the Leader of the Opposition will be restored to health and strength.

Having read and reread the speech from the throne, may I say that in my opinion it is the best that has been made in my short term in the house. I believe I have listened to 19 or 20 speeches from the throne. The present one deals with the general life of Canada better than any speech from the throne I have read. It is not in general but in particular language. After dealing first with certain outstanding questions it deals at the close of the speech with 15 pieces of legislation that will be dealt with by the house. Nobody speaking the truth dares to say that the speech from the throne is distinguished for what it does not say. It is distinguished for what it does say, and I think I can prove that.

The first thing in the speech from the throne that I appreciated was the fact that a committee of the house is to be set up to deal with the rules and procedure of the house. I do not think any man needs to speak for 40 minutes, because there are so many opportunities for members who wish to speak on the various questions that come before us. In the second place, if there is some matter that is burning our insides we can put a question about it and get the information. I think 40 minutes is too long. We will have to prepare more thoroughly. I know that those who speak loud and long and very intelligently may oppose cutting down the time, but I think their better judgment will lead them to see that this is a step in the right direction. I am looking forward to the report of the committee with a great deal of interest.

The speech from the throne also indicates that the government is considering the needs of the blind. The age limit is to be cut to 18 years. However, when the matter comes before the house I am going to urge the house that the blind should get their pensions without a means test. Consider the man or woman who has to go through the world without sight. You cannot compensate them in any way. It is a terrible handicap.

The amendment of the Unemployment Insurance Act is most welcome because we believe it will do a good deal to help those who are not working. It tells me that the government is alive to the needs of the day, which are to keep men working or if they are not working to give them enough to live on so they will have the necessities of life and a little more.

In sport, Mr. Speaker, some athletes are honoured because they break records. It may be scoring a certain number of goals, it may be that a goalkeeper has so many shut-outs. it may be that a man has hit so many home runs or stolen so many bases. I think the Minister of Labour (Mr. Gregg) has made a record in the House of Commons when he can bring in a money bill preceded by a resolution and in two days have it passed through the house and the other place. The bill to amend the Unemployment Insurance Act was introduced by way of resolution at 3 p.m. on Tuesday, January 11. The resolution was passed and the bill was given first reading on that day. Second reading of the bill was moved at 3.10 p.m. on Thursday, January 13. The bill received second reading, went through committee and by 5.15 p.m. was passed by the house. Before the day ended it was not only passed by the House of Commons but had been passed by the other place. All this was done in two days. We congratulate the minister on this record. It will be pretty hard for any other minister to beat it.

According to the speech from the throne the government is also going to deal with the needs of the veterans. Veterans allowances are going to be improved. For six years now I have been advocating that veterans of the first and second world wars, but particularly the first world war, should receive a pension at 60 years of age without a means test. I know some veterans in Fort William who are about 60 years old, and I can tell hon. members that they could not compete with me in athletic contests because they lost so much during those years of war. One man had four Christmas dinners in the trenches.

These men risked their lives. They left

everything that was near and dear. Some of them came back, and those who did not need no pension; they have heard their "well done". As long as I am here I am going to press for a pension at 60 without a means test for the veterans of these two wars.

We were also pleased to learn that the Colombo plan not only continues to be supported and kept going in the old way but is being strengthened by a grant of an additional million dollars. Some people believe this is not enough, but to me a million dollars is a lot of money. An additional million dollars will strengthen the Colombo plan.

We are also assured that pensions for the handicapped will be put into effect. This is what we expected. I know we fought for them for quite a while. I said in the house I would not support any other social legislation until pensions for the handicapped were granted. Now we can support other legislation along similar lines.

The hon. member for Kootenay West (Mr. Herridge) congratulated the hon. member for Spadina (Mr. Croll) on the speech he made. I congratulate him too. The Minister of Public Works (Mr. Winters) knows the hon. member is right when he says that any man who invests $1,500 in a new house should not lose his investment because of adverse circumstances such as sickness or unemployment. I congratulate the hon. member for Spadina on his splendidly prepared speech and the clear and concise way in which he delivered it.

I know we too have a problem at Fort William in the form of unemployment. The local member of the legislature for Port Arthur, who is a Conservative but who speaks the truth because he is a sincere man and a real friend—

Some hon. Members: Hear, hear.

Mr. Hees: All Conservatives are.

Mr. McIvor: —says that we have unemployment at the lakehead but we are going to handle it. That is my interpretation of his words. He says we have the greatest country on earth, and I will give you some reasons why his statement is true. I congratulate him on coming out in the open and making this statement. I should like to say, though, that if anybody can find a cure for seasonal unemployment at the lakehead he deserves the highest honour of this country.

Let us see what happens. When the lake freezes, boats cannot enter the harbour. The elevators close down and lay off their employees. The railways lay off employees. There are four dredges busy there in the summer, and they lay off about 40 employees apiece.

The only thing these workers can do is to go to the bush if they are able to do so. However, some men cannot go to the bush, because they are not fit in many ways and do not have the experience. So I say if anybody can find a cure for seasonal unemployment at the lakehead he will be a dandy.

The hon. member for Vancouver-Quadra (Mr. Green) made a good speech. I like to hear him, because I believe he speaks sincerely. I do not say that no one else speaks sincerely, but I like to hear him. At the close of his speech he said that this government is very fond of admiring itself, or something like that. I would tell the hon. member that they have something to admire. We not only think that ourselves, but there are those outside of Canada who congratulate Canada on its government. I should like to say there are those to the south of us who think we are doing a very good job. This summer the Minister of Trade and Commerce (Mr. Howe) was presented with the Guggenheim medal by the American Society of Engineers because of his aid to aviation. This is one of the highest tributes that could be paid to a minister.

When I think of Canada, there is music in the name. When I think of Canada from east to west, with all its provincial governments, its cities and its federal government, I am sure we have the best governments on earth. The opposition may talk as they like, but in their own hearts they know that we have good government. It is honest. I dare any man to stand up in this house or out of it and point a finger at a cabinet minister for taking one personal dollar of graft. After 20 years in office, Mr. Speaker, I feel that is a fine record. Where is there a provincial government that can match that record? I do not believe any other dominion government has equalled it.

Mr. Hees: What provincial government has not?

Mr. McIvor: I am not listening to interruptions. We have a great country. When I think of Fort William I think of what our city council is doing. As I have mentioned before, we are training our youth to become clean, Christian citizens. The city council is doing one job and our Sunday schools, churches and Y.M.C.A. are doing another. We have 29 hockey and skating rinks side by side. They are supervised by a superintendent who likes boys. There is a house at each rink. When I think of that, I admire our city council and its progress. The taxes in that city are no higher than in any other city. They are not even as high as in Ottawa.

In the summertime we have our parks board manager, Mr. Art Widnall. He has high school pupils and others who supervise the children in the different parks during the summer, so the boys and girls are kept busy. One of the outstanding features is that we have so many hockey teams in these rinks it is difficult to get individuals to supervise them. I remember once asking a big fellow if he would come out and have a look at what we were doing. I announced there would be a practice for pee-wees, 12 years and under, on Thursday afternoon at 4.15. This was an open air rink, and it was 15 below with a wind blowing. This big fellow, Ted Grant, a city policeman, came along, but neither he nor anybody else was cold that afternoon. Today this big policeman is carrying on, and he will never have less than three teams to supervise. He supervises baseball during the summer, and the boys are not afraid of him. Of course, they will do what he says.

I heard the leader of the C.C.F. say that nothing had been done for the benefit of the workers from 1935 to 1938. I do not know what was done in Rosetown-Biggar, but I know what was done in Fort William and district. The then deputy minister of labour, and afterward the late Humphrey Mitchell, came out. The relief camps were closed and the men were put at emergency work for the Canadian National and Canadian Pacific railways. That was a month after our election, and I appreciated that very much.

I should like to say a word about strikes. I have been hoping that the brains of labour, which I believe are just as good as any others, would co-operate with management in finding a cure for strikes. I know that industries in Canada are growing. When we suggest co-operation between labour and management and a share in the profits for the worker as a cure for strikes, we know that will not work in companies like the Canadian National and Canadian Pacific. However, perhaps it could be worked out. I am convinced that if you could give the worker his present salary plus a share in the profits that would work splendidly. Of course there are those who suggest that if you could get the golden rule put into practice it would cure strikes, and I am convinced that it would.

Fort William has some needs. In order to cure our unemployment we think we should have a breakwater in front of No. 2 and No. 1. It is needed for the storage of logs and the protection of industries. We know that the dominion government pays $33,000 for offices in Fort William, but we would like to have a federal building. We strongly advocate that dredging should be begun as early as possible instead of at the beginning of July. We think dredging should be started early in the spring.

I was told by a friend that Canada's danger today is not communism and is not war. I said, "Well, what is it?" He said it is the breaking of the ten commandments. I have thought a good deal about it. I have heard hon. members in this house debate the question of divorce, but I have not yet heard anyone give us a cure for divorce. The cause of divorce is the breaking of the seventh commandment; therefore my friend was right in saying the danger to Canada was the breaking of the ten commandments. The number of divorces is increasing every year. Why? Because of selfishness and the breaking of the seventh commandment.

I was in British Columbia this fall. I know that a man who visits another province and expects to assess the life in that province in a week is expecting a great deal. I could not do it. When I went to Vancouver I did find that there was a big ruction because certain individuals were putting out sweepstake tickets with promises of big rewards. A certain newspaper and the police checked up and found that no one had ever received a prize.

The cry all across Canada from the Atlantic to the Pacific is, "Buy a sweepstake ticket and get something for nothing." What commandment does that break? The tenth commandment says "Thou shalt not covet." He is just trying to get something the other fellow has paid for. Therefore the danger to Canada today is in the breaking of the ten commandments.

What do we find today in respect to working conditions? In the past we struggled hard for one day in seven for the workingman. He got one day in seven; now he has two. Some think it should be cut down a little lower, but I do not. We have the eight-hour day and the five-day week, therefore there are eight hours for work, eight hours for play and eight hours for sleep, with a full day on Saturday. Yet you find those who want to steal Sunday from the Almighty and make it a day of commercial sport. That is unpopular, and it is an unpopular thing to advocate. It is as true as life that when you hold your commercial activities on the Sabbath day, you are breaking a moral law, "Remember the Sabbath day, to keep it holy."

I am not going to push that any farther, but I should like to add that this friend of mine says, "You have departments for war; why not have a department for peace?" With respect to the breaking of the Sabbath day,

I would advise cabinet ministers whose officials put on displays on the Sabbath, that many young men and maidens are leading children to Sunday school on the Sabbath day. I would ask them to refrain from putting on any exhibitions on the Sabbath day because you, Mr. Speaker, in leading us in prayer will recall that one petition in it is, "Lead us not into temptation." A big display by any department of government on the Sabbath day does lead children and older people away. Therefore I would say to them, "Remember the Sabbath day, to keep it holy."

I thank you, Mr. Speaker, for your patience. There is one thing troubling me at the present time. The constituents of Fort William have treated me beyond any expectation I ever had. In fact I had a group call on me the other day. They do not think as I do, but they told me that I represented everybody in the constituency. I said, "No, I do not" and I knew whom I was talking to. I do not represent those who treat God as a myth or represent anything that that represents. I do not represent them and I do not claim to represent them, but of course I might try to change their minds. Thank you, Mr. Speaker.

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, on several occasions it has been my privilege either to follow or precede the hon. member for Fort William, and I am happy to say that on many of these occasions we have been able to see eye to eye on a good many questions. Tonight, as I had the privilege of again listening to him, I could agree heartily with many of the things he said.

The hon. member for Fort William spent some time out in the area that I have the privilege of representing, the Brandon-Souris constituency, and he left his mark there so far as spiritual values are concerned. Having said that, Mr. Speaker, I know the hon. member will pardon me if I cannot agree with him in all things he has said with respect to the government and government policies, and I crave his indulgence in that regard.

As is usual in the throne speech debate, hon. members supporting the government spend a great deal of time extolling the virtues of the present administration. However, during this debate I detect an almost forced attempt to support the policies of the government, as revealed by the speech from the throne. Indeed it is almost possible to conclude that "they protest too much".

The throne speech, as I analyse it, assumes a cautious tone for the first time during my short experience in the house. I remember the first throne speech it was my privilege to listen to back in 1951. It was almost as buoyant in its tone as the inflation it was attempting to deal with at that time. There is one conclusion we can reach thus far in the discussion, namely that Canada is passing through a period of transition at the present moment.

In his recent speech the president of the Bank of Montreal suggested that we were in a phase of economic development where it was impossible to conclude whether Canada was heading into a period of deflation or inflation. When I read that statement it occurred to me that it might account for the early retirement of the highly respected governor of the Bank of Canada, Mr. Graham Towers, who at a comparatively youthful age, in his early fifties, has decided to relinquish that important post. It may be that resting on the horns of this insoluble dilemma, trying to decide whether we are heading toward deflation or inflation, has necessitated this unfortunate early retirement, because nothing is more exhausting to the nervous as well as to the physical energy than to be faced with an insoluble dilemma of that kind.

I would like to say one other thing in a general way about the speech from the throne. I must say this much for it. At least it deals with the problems confronting Canada at the present time in the correct order of emphasis. It places international affairs first. It refers to the continuing threat of war in the atomic age, and it also has an optimistic reference to the continuing cold war. I am not going to deal further with that aspect of the throne speech at the moment; there will be an opportunity later this week. It also mentions the Colombo plan, and in passing I should like to express disappointment at the small increase that is to be forthcoming for that very important activity in the sphere of international affairs.

The next matter dealt with was internal welfare. I join with other hon. members in expressing pleasure at the adoption of the disability pension plan for Canada, a plan pioneered by the Ontario Conservative government. The same applies to the other welfare measures, the pension for the blind and the war veterans allowance. In passing I urge that attention be paid to the last section of the amendment of this group to the effect that a contributory health insurance program be implemented at the earliest possible moment. It is one of the great gaps in the system of social security in our dominion at the present time.

Those remarks made in passing deal in a general way with the speech from the throne to which we listened just over a week ago. As I have already indicated, we can all agree —and the opinion has been expressed from all sides of the house—that Canada is passing through a period of rather uncertain economic transition.

I have before me many economic reviews from government departments and commercial and banking institutions, all of which point in this same direction. In fact there are so many statistics available today to the ordinary private member of this house that it is very difficult to gather any rhyme or reason from them. Speakers and documents, I sometimes feel, spout statistics like a demented quarterback, and it becomes very difficult for the ordinary member to make an adequate appraisal of the situation. I have here, however, a good summation which I found in a Bank of Montreal *Review* of June 24, 1954:

> It is now clear that after climbing persistently and often rapidly since 1946 business activity reached a peak in the autumn of 1953 and entered upon a gentle downward slope, the contours of which are still being mapped.

I think that is a good summary of the economic situation facing us at the moment. As has already been indicated, supporters of the government would perhaps deny that appraisal and would tend to emphasize the rosier aspect of the picture. On the other hand supporters of the group to my left, the C.C.F., would see in this transition another case of heading for a major depression which has been an unfortunate peculiarity of our so-called capitalistic system, at least since the beginning of the industrial revolution.

Despite the fact that the government backbenchers try to present the rosier aspects, some of the measures presented by the government indicate at least a vague awareness of the problems. The fact that we suspended the debate on the speech from the throne in order to pass some amendments to the Unemployment Insurance Act is indicative of this.

Considerable anxiety is also being expressed concerning the trade difficulties confronting Canada at the present time. Europe has recovered in a spectacular way during the past year. Whereas in previous years the economic summaries of the outstanding financial and economic journals have been pointing to the rapid upsurge in the Canadian economy, the picture now is different and we find the same journals pointing to the remarkable recovery of the European economy. Because of her dependence on export trade Canada is placed in a very embarrassing position as the result. This was highlighted to me as I listened to the Prime Minister (Mr. St. Laurent) in his rebuttal to the speech of the Acting Leader of the Opposition (Mr. Rowe) on Monday last. During the course of that speech the Prime Minister picked upon what he thought was an indirect reference to protectionism, or what is very often referred to in this house as a policy of Tory protectionism.

Reference has also been made from time to time to a famous speech made back in the thirties when Canada was in the throes of a world-wide depression. The prime minister of that day in trying to cope with the very disastrous trade situation confronting Canada as a result of the world-wide depression indicated that he was going to blast his way into the markets of the world. I have been very intrigued and interested by the fact that almost invariably when we get on to the theme of trade in this house, some hon. member on the other side refers to that particular quotation.

I would like to say that a legitimate and enthusiastic attempt to restore Canada's trade position, or if you prefer to use the phrase "blast our way into the markets of the world", is much more effective than the blasting process referred to in the speech from the throne—the blasting of Ripple Rock. As far as I am concerned it has no connection at all with the trade situation confronting us.

We are all disturbed and distressed, particularly those of us from the prairies, the continental west, at the obstacles which are confronting GATT at the present time. As I understand it, when GATT was formulated it was the hope that it would lead inevitably to an international trade association, just as during those halcyon days it was the hope that the United Nations would lead the world into a period of blissful peace and contentment, ad infinitum.

I understand that at the time GATT was being negotiated all sides of the house were very strongly and enthusiastically in support of the trade policies represented therein. Unfortunately, the best laid plans of mice and men "gang aft agley". In our attempts to establish a system of international security we are faced with similar difficulties in the realm of trade as in the realm of military defence. Economic nationalism is just as difficult to deal with as is military nationalism, and economic warfare is just as real as is the other type of warfare that constantly threatens the world at the present time.

When we consider that the country closest to us, the country toward which we have

moved as a market for our exports, the United States, has been making threatening gestures in reference to certain of our agricultural products, I think it will be readily appreciated how much more difficult the problem is when we are dealing with countries that are not in the least friendly toward us.

I might go even further on this question of economic nationalism. We are at least able to negotiate with the U.S.S.R. in regard to international security, but we cannot even get into communication with them, it would seem, with reference to this economic warfare with which we are faced.

I think we can conclude that there is a vast difference between theory and practice as far as economic disarmament is concerned. It is just as difficult, or perhaps even more so, as is the achieving of military disarmament. The experience of this country has been such as to make that almost axiomatic.

So far as the west is concerned, this problem affects us very intimately indeed. It particularly affects the three prairie provinces, whose economy is still based on the wheat trade. Wheat is still the economic lodestar of the prairies. I believe that when Sir Wilfrid Laurier prophesied at the beginning of the century that the twentieth century would belong to Canada, he had in mind the rapid development of the wheat trade on the prairies. Wheat made possible the building of Canada's first transcontinental railway, and I sometimes think the construction of the C.P.R. was the last major effort on the part of this dominion government relative to the prairies. It was conceived early in the history of this country and carried out with a magnificent vision that has since been justified many times over, even though there were many pessimists at that time.

I think it is also necessary to emphasize that the present request for some relief on the Crowsnest pass rate should take into consideration the contribution the wheat industry has made to the development of the railway system throughout Canada. It was also the rapid development of our wheat economy that made possible the great waves of immigration in the early years of this century and opened up that part of Canada to popular settlement. Unfortunately that trend has not continued with the same degree of rapidity, for reasons I shall deal with before I conclude my remarks.

Important as the wheat trade undoubtedly is, it nevertheless leaves our prairie economy in a particularly vulnerable position because it means we are tied to a one-product economy. When disturbances inevitably occur in world economy and are reflected in our internal economy, it is the agricultural industry that is first to suffer. You cannot have a healthy economic situation while you have an immature economy, and the prairie economy will always remain immature while it is dependent on one product. The wheat trade, regardless of changing prices and changing economic circumstances, except under extreme conditions such as those produced by world wars is subjected to comparatively inflexible conditions. This point was brought out by Professor Alfred Marshall in his "Industry and Trade" published in 1919, when he said:

> An exceptional "principle" applies to staple grain; because a fall in prices cannot generally increase its consumption as human food; and when it becomes dear, people will still buy enough of it to keep alive so long as they have means of purchase; in modern phraseology the demand for it is exceptionally inelastic.

That increases the difficulty of our prairie economy, and we have been continually subjected to boom and bust cycles which in more recent years have led to demands for methods of marketing that will take some of the sting out of the fluctuating trade cycle.

In this regard I would like to add, Mr. Speaker, that the wheat board has been particularly effective in smoothing out extreme swings in the economic cycle. The only difficulty with the wheat board is that it has tended to become used as an instrument of political manipulation, and wheat policies have been adapted to the welfare of the party in power. This, I feel, occurred quite recently in connection with the by-election in the constituency of Selkirk. An important announcement concerning interim payments was made the Saturday before voting took place. Other examples of this kind could be given.

With the spectre of a wheat problem hovering over the world once more, drastic action has to be taken in order to preserve our agricultural industry. Admittedly we are much better off now than we were in the thirties when the wheat surplus of that period unfortunately coincided with the market crash of 1929, and the whole wheat economy collapsed completely not only on the prairies but throughout the world. However, I believe there need be no repetition of this disastrous episode, because our appreciation of this problem is much keener now than hitherto.

Some claim that the party to which I belong is not too concerned with the attitude of the government toward these economic problems. For my own part I believe that

government inactivity is in some cases almost as bad as too much government interference, and I believe there has not been a keen enough appreciation of the situation confronting the agricultural west at the present time.

Many hon. members who have already spoken in this debate have submitted ideas the acceptance and implementation of which might further stabilize the situation. For example, the hon. member for Dauphin (Mr. Zaplitny) mentioned five points the other day. He suggested a 95 per cent parity forward pricing system; and that, of course, springs from the fact that agriculture is facing an increasing price squeeze at the present time. We have a support price system now, and the hon. member for Prince Albert (Mr. Diefenbaker) suggested that it be used much more vigorously than it has been hitherto. I agree with him on that score. I believe, however, that if we fixed parity at a 95 per cent level we would be aggravating rather than solving the problem, because it would introduce further rigidity into our economic system. When the United States are moving away from a high level parity I believe it would be unfortunate if we tried to occupy a position they are now abandoning.

The hon. member suggested marketing boards, and this also is being adopted in agricultural circles as a method whereby the boom-bust cycle to which I referred, and its inherent fluctuations, can be stabilized. I would add, though, that marketing boards do not necessarily increase the price to the producer. They merely iron out some of the wilder fluctuations. In the final analysis it is demand that determines price. Relative to any increase in the number of marketing boards, it should be emphasized that the producers should themselves organize and obtain control of such boards. Nothing would be worse than to have marketing boards used as political instruments in the hands of any particular party in power.

The two-price system was mentioned, which involves dumping our agricultural products on the external market and maintaining the domestic price at a higher level. In that regard I think it almost inevitable that we would be faced with a tariff war such as that which occurred in the 1930's. If we started dumping our agricultural products into the European market, or into any other market for that matter, they would retaliate with tariffs as they did in the 1930's. We must remember constantly that we have that problem of economic warfare, and that we are not all one big happy family in the world as yet.

[Mr. Dinsdale.]

I was reading in a review called "Crisis in Wheat, 1926-1954" some extremely interesting information concerning the tariff policy of certain European countries in the 1930's.

> France began early to put duties on wheat imports. But as the wheat crisis deepened this process was speeded up and intensified as shown by the rates of duty prevailing in the following years. The rates are expressed in francs per quintal of grain.

The rates were as follows: In 1921, 7 francs; in 1926, 18 francs; in 1929, 50 francs; and in 1936, 83 francs, equivalent to $1.50 a bushel. I was quite amazed too, to see the German reaction and the way they had pushed up the tariff. In 1930 the duty stood at 35 reichsmarks per quintal, which was about the equivalent of $3.84 a bushel. No wonder the prime minister of that time talked about blasting his way into the markets of the world, when he had to face tariff barriers of that kind. Even though we have moved along in our international thinking, I do not think we can expect the European market to acquiesce in a dumping policy on the part of the Canadian agriculture industry. Such a policy could only result in retaliatory tariffs.

The fifth point was the suggestion that we could investigate the price spread. This is a question that comes up repeatedly, and I have not time to harp on it at the moment. In the Virden *Empire-Advance* for February 10, 1954, I notice an article by the Minister of Justice (Mr. Garson) who has the responsibility for combines investigation. He had apparently been subjected to some inquiries concerning this spread, particularly in reference to meat prices, between the price received by the producer and the price paid by the consumer. He had a long article trying to explain why this situation occurs. Then he said:

> Let me say, as the minister responsible for the administration of the Combines Investigation Act, that all complaints of this nature regarding the suspected existence of any such combine are thoroughly investigated. So if you have any yourself or know of any friends who have complaints of this sort to make, do not hesitate to bring them to our attention.

I have accepted that invitation tonight, and I am agreeing with the hon. member for Dauphin that there might be an extremely fruitful field for investigation in this regard. I am sorry that time does not permit my further development of that question.

The hon. member for Prince Albert (Mr. Diefenbaker) had some recommendations to make with regard to agriculture. He suggested that something be done about the cash situation among the farmers. The city of Brandon that I represent is most directly affected by the cash shortage because we are

largely a city serving the surrounding agricultural area. I made a survey in recent months among the retail merchants, and they are not at all happy about the situation. Something must be done in order to place cash into the hands of the grain farmers. During these periods of economic transition, unfortunately the credit facilities extended to other business activities in Canada do not apply too directly to the agricultural economy.

In the first instance the farmer is rather suspicious of debt, mainly because of his unfortunate experience during the 1930's and during the earlier periods of the boom-and-bust cycle. Then I came up against a special problem of this kind during the past summer when we had flooding on the Assiniboine river. That flooding has occurred twice in succession now, and there were groups of farmers who had had a complete crop failure for two years in succession. It is bad enough to take one crop failure, but it creates an almost hopeless economic situation to take two. There is no solution to their immediate financial problem. As is well known, the Prairie Farm Assistance Act does not cover that situation. There they were, left to sink or to swim according to their own ability. That is a situation that could well bear investigation by the government.

I agree heartily with the hon. member for Prince Albert that we could be more aggressive in our marketing policy. We have tended to become a bit slothful and soft in recent years because of the overwhelming demand from the foreign market. We might well do a little bit of "blasting", if I might use that word in quotation marks, in order to ease the present situation. Of course I most heartily agree with the extension of customs facilities at port Churchill, because we on the prairies believe that port Churchill has a great future as a port providing access to the European market.

To sum all this up, Mr. Speaker, agriculture is operating within a highly complex industrial society in which free enterprise is drastically modified by tariffs, fiscal policy, monopolies and so forth, largely because we are confronted with an unpredictable, uncontrolled external situation. I believe that there are some measures this government can take without resorting to tariffs—that nasty word —controls and so forth, which only tend to increase economic rigidity.

In the time remaining to me, Mr. Speaker, I would suggest that what we should do is take into consideration the nature of Canada's present boom. We have been enjoying a boom since 1946 up until recent months. As I have already emphasized and now re-emphasize, this boom is a boom without a bust. As to business cycles, the bugbear of our capitalistic system, it is felt by economic authorities that we have at last beaten this bugaboo, this bugbear, and that we are now in a position to handle or iron out the harsher aspects of the boom-bust cycle.

The present boom in Canada's economy, as I see it, has two prongs; first, that in the primary resources industry and second, that in manufacturing. This primary resources boom is something new to our Canadian economy; and it is this primary resources boom that is giving the little shot in the arm that we have in the west at the present time and also in the northern regions. In many aspects, as a result of the boom in primary resources the north is becoming what the west was to Canada some 80 years ago.

The discovery of these resources is not necessarily new. We have known of their existence for some time. It has only become possible during recent years, particularly during and since the war, for Canada to exploit these resources because of the efforts of geologists and bush pilots. This being so, I was amazed last year when the government refused to grant a charter to Canadian Pacific Air Lines, which had requested the privilege of providing a cheap freight service in the northern part of Canada. I have before me a newspaper clipping which impresses me as being somewhat of an obituary in this regard. The heading of the article is "Canadian Pacific Air Lines Sells Two Giant Planes". It sold two DC-6A planes that it had purchased in anticipation that a forward-looking government would welcome an increase in freight transportation facilities in the rapidly developing northland. It is hard for me to understand the negative policy of the government in this regard.

I have had some personal contact with the boom in resources, because right in the middle of my constituency is Virden, which has become the oil centre of Manitoba. Just out of curiosity I took a recent edition of the Virden *Empire-Advance* and clipped four different articles dealing with the oil boom in that part of the province. The first article is headed, "Manitoba on the March". The next article is headed, "Twenty-six New Oil Wells Spur November Production". The next one is "Manitoba Steps Into Ranks of Major Areas of Canadian Oil Development." Indeed, we have moved forward so rapidly that Manitoba hopes to be self-sufficient in oil in a very short time.

The Postmaster General (Mr. Cote) is aware of the fact that Virden is a boom town, because I think he has been besieged

recently by protests concerning the inadequacy of the post office facilities in that community. The town has grown so quickly and subscribers have increased so rapidly that the post office service has become somewhat outmoded. I believe the Postmaster General is wrestling with that difficulty at the moment; at least I trust that he is.

This is all well and good as far as primary resources are concerned, but it is in the area of manufacturing that the west is weakest. We lack secondary industry. The great boom in manufacturing has all been concentrated around Montreal and Toronto. In other words the geographic pattern of industrial and manufacturing activity still remains much the same as it has been during the whole long stretch of the first half of the twentieth century. The shift to the west so far as economic change is concerned is merely a movement of ideas and money rather than manufacturing production. The brains and capital required in the search for primary products are largely being found in the eastern part of the country. I must add that the men with those brains came from the west to be trained in the universities of the east, and are now finding their way back to the prairies again. One of our chief exports from the prairies has always been men of outstanding ability.

In addition to that concentration in eastern Canada, there is the same concentration in the United States. In fact it may be said that to a great extent Canada's boom is based on and spearheaded by the relative United States boom. We have played into their hands with reference to trade. As has been pointed out by many speakers, United States capital invested in Canada now amounts to $7,235 million, $3 billion of which represents investments in companies actually controlled in the United States. As a result there has been a relative dropping off in our exports to Britain.

I think it should be noted, too, that United States capital has largely developed the Lynn Lake area in Manitoba, the oil industry, and Kitimat in British Columbia. I do not decry that fact. It is necessary at the present stage of development. I am merely pointing out that it does not help solve the problem of the prairies. That problem can only be solved if together with the boom in resources expansion and development we have an equivalent development in the secondary or manufacturing industries. If that does not happen our second state is going to be worse than the first, because if we have a sudden vacuum created in the western region after the initial exploration is over, a vacuum that has not been filled by secondary industrial activity, we are going to be badly off indeed.

I sometimes feel, Mr. Speaker, that the national policy that was so successfully pushed forward by the first administration of this country stopped short at the head of the lakes, and nothing has been done to develop a mature economy on the prairies. Because of all this and much more that I could say if time permitted, I subscribe heartily to the amendment moved by the Acting Leader of the Opposition (Mr. Rowe), particularly paragraph (e) thereof, which reads as follows:

> to facilitate and encourage the processing of our natural resources in Canada, and thereby increase opportunities and employment for Canadians.

Mr. W. M. Johnson (Kindersley): Mr. Speaker, words fail to adequately express my dissatisfaction with the government for failing to deal with a very important aspect of the Canadian economy in the speech from the throne. I noted that the speech mentioned the great disasters that had befallen Nova Scotia and Ontario, and I was pleased to note that certain measures were outlined offering some relief to those stricken areas. But, Mr. Speaker, no mention was made of the disaster that struck western Canada this year. Rust in western Canada wrought a havoc that was worse in many respects than the drought of 1937. Some areas had a lower yield than in the worst years of the drought period.

The speech from the throne also says that the relatively poor wheat crop is being reflected by a small decline in the total national income. The only concern the Liberal government of today has with the west is that the west was inconsiderate enough to have a bad crop which will be reflected in a decline in the total national income. No mention was made of offering some measure of relief by amending the Prairie Farm Assistance Act to bring it in line with the present cost of production. Under the Prairie Farm Assistance Act the maximum amount a farmer may receive is $500 if he lives in a township in which the average yield of wheat is not more than four bushels per acre. This legislation was passed many years ago when the cost of farm production was but a fraction of what it is today. It seems to me that the farmers are justified in demanding revision of the act to bring it up to date.

Tied in with that, Mr. Speaker, there is the almost forgotten paragraph in the Prairie Farm Assistance Act which states that if the average yield is between 8 and 12 bushels of wheat per acre, and if the average price of

wheat should fall below a certain level, compensation will be paid. This is in paragraph (a) of subsection 2 of section 3. The only trouble is that it specifies that if the price of wheat should fall below 80 cents per bushel, then payment will be made. There again, Mr. Speaker, this price was set in 1939. When we consider the devaluation of our dollar, in effect the farmer who is producing feed wheat is receiving in the neighbourhood of 40 cents a bushel.

Yes, the Liberal government today is trying to get itself off the hook by saying it is the poor crop in western Canada that is creating these conditions. No, Mr. Speaker, it is the same factor that has created these conditions and that has brought about a marked increase in unemployment; it is not the poor crop but just plain, ordinary poor government.

The cash farm income for the first nine months of this year is less than half that of the previous year. There is a drop of $217 million, and the net income in Canada continues the decline it started three years ago. I feel we should give some consideration, not to whether this poor crop affects the national income but how this poor crop affects the livelihood of the farmers. It is not the poor crop that has given us these conditions in western Canada, because I do not know of a single farmer who has been unable to fill his quota. With only a poor crop he would not have had the grain to fill his quota, so there must be other factors to consider. The fact is that in the first five months of the crop year wheat deliveries from the farms in the prairie provinces were the lowest in the entire history of the present Canadian wheat board.

The estimates for the first five months of this year show that farmers have delivered 107 million bushels. The ten-year average is 211 million bushels, or 104 million bushels greater. Last year we thought things were bad enough when deliveries in this period were 228 million bushels. At the start of this year nearly three-quarters of the marketing points in western Canada were on a two-bushel quota. This meant that in this crop year the farmers were unable to deliver more than two bushels per specified acre.

The serious aspect of this, Mr. Speaker, was that in many of these marketing points the quota was not granted until the early part or middle of December. This meant that the farmer operated from the end of the last crop year up to the middle of December without receiving one cent in cash from that crop.

In western Canada there were two consequences of the rust. First of all it lowered the yield, and secondly it raised havoc with the grades. It meant that the farmer who had low grade or feed wheat, for example, got 87·5 cents per bushel and was only able to market two bushels per acre. This will give you some idea of the money he has had to work with over the past few months.

In view of the conditions that existed, it certainly should not have taken a political event such as the Selkirk by-election to bring about the announcement of an interim payment of 10 cents a bushel. This announcement was made in October, and all cheques were to be in the mail by December 21. By December 21 the farmers had been able, in many instances, to deliver some grain. The interim payment should have been made when farmers really needed it, in September and early October. Further, there should be an immediate announcement of another interim payment of 10 cents a bushel, with the final payment on last year's crop being made in the spring.

While I am discussing an agricultural problem such as grain, I do not think I can completely cover it without some mention of this matter of box car allocation. Last year the agriculture and colonization committee thoroughly discussed the problem. It was proved to the satisfaction of many members of that committee that the farmers and farm organizations were 100 per cent behind some equitable system. We even received assurance from the Minister of Trade and Commerce (Mr. Howe) that something was going to be done about it. When I returned this session, I was delighted to see on the order paper a resolution to amend the Canada Grain Act. I thought that finally the government was going to introduce some measure for the distribution of box cars that would enable the farmers to deliver their grain to the elevator for which they had a preference. I was pleased to think that the minister was carrying out the commitment he had made, and that something was going to be done about it.

Well, perhaps this is done as well as the Liberal government can do anything. Instead of amending the Canada Grain Act to provide for this system of box car allocation, what did they do? They provided for the appointment of four instead of three commissioners and raised the salary of the chief commissioner from $14,000 to $15,000 and that of the other two members from $12,000 to $13,500. Certainly that is a fine way to help this box car allocation.

I believe a lot of the blame in connection with this matter should rest with the government representatives from Saskatchewan. As a member of the agriculture and colonization

committee I was greatly disappointed to find that, although they represented western Canada, they were fighting vigorously against the interests of western Canada. I do not see how they could go back to meet the wheat pool organizations, attend the wheat pool annual meetings and farmers' meetings, knowing they had failed to fight for some amendment to the Canada Grain Act to make provision for this important matter.

Time is running out. The period of congestion is still with us. We have nearly 900 million bushels of wheat in storage, but we have had a very light crop in western Canada, estimated at 300 million bushels. This may mean that the problem of box car allocation may not be as important in the future as it has been in the past.

This government has failed to grant this concession to the farmers of western Canada. Perhaps it was not the failure of the government. Perhaps it is the only thing we can expect of a government that is dedicated to following the principles of capitalism and profit, to accede to the wishes of the large privately-owned grain companies.

This has dealt a blow to the co-operative grain handling movement that will be felt for many years to come. Just before I leave this subject of box car allocation, some claim that we should lay some blame on the shoulders of the top officials of the Saskatchewan wheat pool. I have heard some pool members say that these officials have not pursued this matter, which is of the utmost importance to the average member of the pool organization, with the same determination and vigour with which they fought some of the battles in the past. There may be hidden reasons for this action; there may be some reasons I may not be aware of, but it does seem to me that they are not putting up the battle on behalf of the membership of these great farm organizations that they did in past years.

Before leaving the matter of the Canada Grain Act I should like to point out that the government promised to bring this matter before the standing committee on agriculture and colonization for review. This promise was made two years ago, and I should like to see the government fulfil one of its promises. Perhaps it, too, is like the national health insurance promise and the act will not be reviewed in my lifetime.

In his address the hon. member for Dauphin (Mr. Zaplitny) dealt with another problem of the agricultural economy of Canada, namely the lack of consideration by the government in offering some measure of stabilization for farmers. No section of our economy is more subject to ups and downs than those involved in agriculture. A man who raises cattle may spend a lot of money to get his herd built up and then find, when he gets into a position to recover something from his many years of work, that the bottom has dropped out of the market.

The same thing is true of the poultry and hog producers. I am always amazed when I hear the Minister of Agriculture (Mr. Gardiner) tell us that we have a floor price of 38 cents a dozen under eggs, implying that the farmers of Canada get 38 cents a dozen for their eggs. The floor price operates at the packer level, and the packing companies can pay just about any price they like to the farmers for their eggs, not only just the farmers of Saskatchewan but all the farmers of Canada.

So the sooner we can consolidate these problems and smooth out some of the difficulties that are facing this important segment of our economy, the sooner we can expect those other segments of the economy that are so dependent on agriculture to become completely healthy. When the farm economy suffers a decline, it is only a matter of a few years until the rest of the economy suffers a decline. We can see that by looking at past statistics. It is desirable, Mr. Speaker, before it is too late, that this government throw off some of its lethargy and start to give serious consideration to a pricing policy for agriculture—and I am speaking of all agriculture. I am speaking of the milk producers of Ontario and Quebec, the fruit growers of the east and the west, all segments of our agricultural economy, so that farmers' incomes can be levelled off and we shall get away from these ups and downs that the hon. member for Brandon-Souris (Mr. Dinsdale) was just discussing.

As long as we are operating under the system of so-called free enterprise which the Liberal government and the Tories and the socreds claim to be following, it is inevitable that we shall have these booms and busts. It is one of the characteristics of the so-called capitalistic system, where the individuals look after themselves and show no concern for others in the economy. It is only when we can incorporate some Christian principles into our economic socialism that we can give a degree of relief to all of the people of Canada. Only when we forget about this profit motive, which has been leading us down the garden path, and resort to a little bit of common-sense planning, the same sense we use in our households and our own businesses; only by following some of these examples shall we level out these horrible ups and downs in our economy. Then in time we shall make this country of

ours the best place on earth to live in, a place where we can be proud to look forward to the future and a peaceful heritage, where we shall be granted some return for the efforts we put forth.

Mr. J. H. Proudfoot (Pontiac-Timiskaming): Mr. Speaker, I rise at this time to reply to a speech made on January 12 by the hon. member for Burnaby-Coquitlam (Mr. Regier). Like the member for Burnaby-Coquitlam, it is not my intention to throw out any bouquets. When speaking in the house on Wednesday last, the hon. member said he wanted to offer some friendly advice to the government. He then said that his advice was designed deliberately to help the people of Canada get rid of a government that had been the most reactionary since 1935.

After reading the speech one wonders what are the qualifications of the hon. member for Burnaby-Coquitlam for him to give such advice to the people of Canada. While I must not make a personal attack on the hon. member, I am entitled to judge his fitness to give advice by the contents of his speech. I am quite sure that if the people of Canada read his speech they will never take his advice. Indeed, they will note what little information he has about Canada and how little understanding he has of his fellow human beings. He undertook to explain all about the conditions of the people of each province. The hon. member may believe that he is omniscient. I should, however, like to point out to him that arrogance of the mind is no substitute for knowledge, nor is it a substitute for an understanding of his fellow Canadians or of the problems that concern them.

I am one of those persons who believe that no one was given all the knowledge in the world, and I do not believe that I know it all. However, the hon. member for Burnaby-Coquitlam launched an attack on the province of Quebec.

Mr. Nicholson: No, he did not.

Mr. Proudfoot: An attack that was slanderous of the people of my province, and unfair to them.

Mr. Nicholson: On a point of order, Mr. Speaker, will the hon. member indicate what he is reading from at the moment?

Mr. Deputy Speaker: Order.

Mr. Argue: Straight from the heart.

Mr. Proudfoot: He said he spent a fair amount of time in the province of Quebec. I wonder on what day it was that he spent the fair amount of time in the province of Quebec. He referred to that great province as a sore spot in the matter of Canadian unity. Might I point out that much could be learned about unity in the rest of Canada by looking at Quebec and what is done there. It has been my privilege to represent the constituency of Pontiac-Timiskaming in this house since 1949. I am proud of that constituency; I am also proud of the province in which I was born. I am proud of that constituency where my father was born, the same constituency where my grandfather was born and where my great-grandfather lived for 40 years.

I want to point out that the minorities have been fairly treated in the province of Quebec. Most certainly that is so when compared with the treatment of minorities in some other provinces of Canada. I would say that in the constituency which I have the honour to represent, 75 per cent of the people are of a different religious faith from myself, and at least 65 per cent of the people in that constituency are of French-Canadian origin. In the last two general elections, the voters of my constituency were willing to and did support me, and I believe those who opposed me did so not because I was of a racial religious minority group but rather because I happened to be of a different political faith.

At this time I would ask, could a man or woman of French-Canadian origin and Roman Catholic faith be elected in the riding of Burnaby-Coquitlam where, unfortunately, the majority of electors appear to be supporters of the socialist party? Will the hon. member for Burnaby-Coquitlam, who prates so much about national unity and talks in such a disparaging manner of the province of Quebec, indicate to me where in British Columbia, or indeed in any of the provinces outside of Quebec, racial majorities give evidence of similar generosity?

Then he goes on with his attack on Quebec because we do not see fit to have divorce courts in our province. I might add that neither has the province of Newfoundland. The subject of divorce courts in our province is a difficult and a delicate one, but surely the situation is not helped by a socialist proposition that it is proper to ram down the throats of the people of Quebec the suggestion that they must establish divorce courts whether they want them or not. Surely national unity involves the right of a substantial minority to oppose a measure that is offensive to them. Surely having a strong emphasis on family life and an abhorrence of divorce is not something to be condemned.

The hon. member refers to Quebec as a sore spot in Canadian unity because of some difficulty in a tax situation, but when you analyse his remarks his real criticism of the people of Quebec and of this government

seems to be because of the fact that the Prime Minister of Canada (Mr. St. Laurent) accepted a request of the premier of Quebec to meet in Montreal to discuss this difficult problem of taxation rights as between the province of Quebec and the federal government. Surely the socialist party did not think the Prime Minister of Canada should miss an opportunity of settling this important taxation difficulty merely because of false pride or some mistaken consideration of dignity. Did not Churchill come to Ottawa? Did not Truman come to Ottawa? Did not our Prime Minister visit many countries on the greatest good-will tour ever made by a Canadian prime minister?

The men and women of Canada will applaud the Prime Minister for being a big enough man to seize the opportunity of dealing with a difficult problem. His action in going to Montreal was the action of a statesman. It is what all Canadians would have their prime minister do in the circumstances. It does not warrant the socialist member's reference to the province of Quebec as a sore spot in the matter of Canadian unity. That the hon. member does hold it against the province of Quebec is indicated in the following statement of his, which I quote:

> In the city of Montreal the communist party polled about as many votes as the C.C.F.

All this indicates is that the people of Quebec reject the soul-destroying doctrines of socialism, and that they have no confidence in either branch of the socialist party.

The hon. member goes on to say that the people of Quebec are suffering, and that they are not enjoying the facilities in the field of education which they would like to enjoy. Does the hon. member not know that the minority group in Quebec have been granted and allowed to freely exercise all the rights and privileges which they require or desire in order to bring up their children in the beliefs of their parents? I venture to assert that Quebec is the only province where the rights of minorities are so fully protected in the field of education.

Why does not the hon. member take time off to compare the rights of minority groups in his province of British Columbia with those in Quebec. At this time I have in mind a place called Maillardville, British Columbia, and if I am not wrong I think possibly Maillardville is in the constituency of Burnaby-Coquitlam. I would ask him to examine the school laws of his province before he launches an attack on my province, and before he presumes to give advice to the people of Canada.

The hon. member says that his socialist party is the only party which has arisen out

of the needs of the people of Canada; but an examination of his speech indicates that his socialist party is rather seeking to arise out of the stirring up of prejudice and hatred in this country. Let me assure the hon. member for Burnaby-Coquitlam, and let me assure the people of Canada, that political tactics of the kind exemplified in his speech will not work in Quebec. I assure you the people of the province of Quebec know better.

Mr. W. J. Henderson (Kingston): Mr. Speaker, I am pleased as the representative of Kingston riding to take part in this debate, and I shall try to follow the suggestion of the hon. member for Lincoln (Mr. Cavers) and be brief and to the point. I should like to congratulate the government upon the fine legislation they have indicated in the speech from the throne which is now before us, which is indicative of the good government they have given this country for years.

I have on previous occasions expounded the good points of Kingston, and I think it might be summed up by saying that Kingston is a city of stability. But I think I should use the facilities of this forum to explain that of late years, due to the economic expansion of our nation, Kingston has had a face lifting. For many years Kingston was known as a lovely, quiet, old city, where education and military life set the pattern, but gradually industry recognized the merits of locating in the vicinity of Kingston. Fortunately the judgment of industry and the planning of the municipal councils resulted in harmony between the old Kingston and the new Kingston.

As of 1954 something more happened to Kingston as a result of the St. Lawrence seaway, the effects of which can be judged only by Kingston's rapid progress in recent years without the seaway. The advantages of ocean-going shipping and the availability of electric power should have far-reaching effects upon that area.

The constituency of Kingston comprises the city of Kingston, the townships of Kingston, Pittsburgh and Storrington, and Wolfe and Howe islands. This area also includes the most southwesterly area of eastern Ontario, which is shaped like a rough triangle. It is bounded by the St. Lawrence and Ottawa rivers and lies midway between the great Ontario and Quebec markets.

I would be remiss in my duty if I did not congratulate the eastern Ontario development association and its administrative officers upon the job they are doing for the area. Their efforts should be well rewarded. Locally the Kingston chamber of commerce

are to be congratulated upon their determined efforts to bring more industrial development to the Kingston area. I think I can best express to this house why the efforts of the above two associations deserve praise by reading into the record an editorial which appeared in the Kingston *Whig-Standard* of January 14, 1955. This was entitled "Eastern Ontario—another Heartland" and reads:

The eastern Ontario development association has opened a campaign to inform the industrial world about the advantages and opportunities eastern Ontario offers to industries in virtually all categories. The association's objective, of course, is to attract industries to this district in growing numbers, and there are good reasons for the belief that the objective will be reached. A brief and not necessarily comprehensive survey of the situation in this large segment of Ontario leads to the conclusion that it is headed for an era of unprecedented development and prosperity. In the past, circumstances have forced eastern Ontario to mark time while western Ontario was the scene of intensive industrial development. Indications at present are that eastern Ontario will outstrip in development any area in Canada comparable in size within the next few decades.

The location of eastern Ontario in relation to the great Canadian and United States markets offers an advantage to industries locating here. It is a "heartland" at the centre of the rich markets of central and western Ontario, western Quebec, New York state and several of the New England states, which form a semicircle around eastern Ontario, affording potential outlets for industries. There is the further factor that an abundant supply of industrial sites are available.

Location and supply of sites alone are not enough to make an area preeminently desirable to industry. Industry must have power, and power has been one of the assets eastern Ontario has lacked in past years. Today, however, eastern Ontario is sure of a very large supply of hydroelectric power from the St. Lawrence river—sufficient to supply a huge industrial development in the area. In addition, Canada's atomic plant is located in eastern Ontario, and while no one is able to say with certainty when atomic power will be available for industrial use, the location of the Chalk River plant should prove an advantage to eastern Ontario when that day comes.

Eastern Ontario is also well served by transportation facilities. There is a basic network of highways which would support a large industrial development, and which could be easily expanded. It is served by three main railway lines and a number of branch lines. And it has access along its southern boundary to the greatest inland waterway in the world, which will have enlarged facilities when the St. Lawrence seaway project is completed.

All these things, and some others, eastern Ontario can and will offer in the very near future. Now is the logical time to tell industries throughout the world about these advantages, and the eastern Ontario development association acted wisely and with a fine sense of timing in opening its campaign. And now is the logical time for industrialists to begin thinking seriously of the desirability of locating in an area that is on the brink of one of the greatest economic developments that has occurred in this country.

That is from an editorial in the Kingston *Whig-Standard*. This paper and its editor are to be congratulated on their views. Oddly enough, the next editorial carries the headline, "Mr. Regier Needn't Worry Too Much".

I would now like to refer specifically to the Kingston district. A prospective industrialist wishing to settle in the area who approaches the municipal council of the city of Kingston, the townships of Kingston, Pittsburgh and Storrington, Wolfe island, and Howe island, and their local chambers of commerce, will find men who are understanding and co-operative.

I would like to put on record some facts and figures about the city of Kingston. First, dealing with population, the city of Kingston in 1954 had a population of 44,888, with a retail trading area of 101,382. There are 11,102 families in the city and 10,541 households. The number of industries was 65, and the gross annual production amounted to $56,122,499. The number of employees were 6,167, and the total payrolls for these industries amounted to $14 million.

The principal industries at present in operation there are the Aluminum Company of Canada Limited; the Du Pont Company of Canada Limited; Canadian Industries Limited; Canadian Locomotive Company, Limited; Kingston Shipyards Limited; Hield Brothers Limited; Gould battery manufacturing company; Frontenac Floor and Wall Tile Company Limited; A. Davis and Son Limited; K-D Manufacturing Company; Canada Steamship Lines; Canadian Dredge and Dock Company Limited; Dye and Chemical Company of Canada Limited, and many other smaller industries.

Kingston is served by one newspaper, which has a daily circulation of approximately 19,000. With respect to education, we have Queen's University; the Royal Military College; Regiopolis College; the National Defence College, and the Canadian Army staff college.

The city has 376 retail outlets, with total annual retail sales of $48 million. Kingston is also proud of its two radio stations and its television station. Employers must always appreciate that employees, in order to be satisfactory, must have pleasant home surroundings and facilities for their families. These requisites the Kingston district can furnish in abundance.

The Kingston area supplies a substantial pool of labour, both male and female, and the diversified industry in this area assures the availability of trained workers in most trades. Skilled craftsmen continue to locate permanently, attracted by the educational and recreational facilities available for their families. Kingston industry in the past has enjoyed trouble-free relations as far as

labour-management problems are concerned. Indeed, labour in Kingston and district has demonstrated a sound and sensible approach in their dealings with management, and have always tempered their negotiations with co-operation. Kingston is open for industry.

I shall conclude my remarks by referring to one or two other items, with particular reference to the riot at Kingston penitentiary in the summer of 1954. I would like to take this opportunity to inform hon. members that in my opinion the warden and staff of the penitentiary are to be complimented on the excellent manner in which they carried out their duties during this difficult and trying period. I would also like to suggest to the Minister of Justice (Mr. Garson)—and I am sure this will meet with the approval of all hon. members—that segregation of prisoners should be carried out as soon as possible. The one hundred who caused the riot have, I believe, inadvertently set back the advancement of penal administration in Canada by their actions, and have made it more difficult for others who are serving sentences for lesser crimes and are not essentially criminal. I hope something will be done about that in the very near future.

I would also like to say a few words on our national sport, hockey. We all know that hockey occupies a great deal of time in the lives of both the young and the old in Canada. In this regard I hope the Minister of Finance (Mr. Harris), the Minister of Northern Affairs and National Resources (Mr. Lesage) and the Minister of Public Works (Mr. Winters) will give some consideration to helping those private persons who contributed some $70,000, and the National hockey league which contributed some $30,000, in order to construct in the city of Kingston a museum of hockey. I firmly believe that the construction of such a museum in Canada close to the United States border, which would be known as the hockey hall of fame, would be of considerable benefit to the entire area. I might also add that those in charge of bringing about this hockey hall of fame in Kingston have in storage many fine items which they are ready and willing to place in such a museum. These people deserve our heartfelt thanks for their contribution to the history of this great national sport.

On motion of Mr. Henderson the debate was adjourned.

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

APPENDIX

CORRESPONDENCE RESPECTING FEDERAL-PROVINCIAL FISCAL RELATIONS

Copy
Translation

Office of the Premier
Province of Quebec

Quebec, October 11, 1954.

The Right Honourable Louis S. St-Laurent,
P.C., Q.C.,

Prime Minister of Canada,
Ottawa.

My dear Prime Minister:

Since our pleasant meeting last Tuesday in Montreal, my colleagues and I, with particular attention and with the sincere desire of co-operating to the fullest reasonable extent in its solution, have studied the important fiscal problem which was the subject of our interview.

Our legislative assembly opens in a few weeks, on November 17. I need hardly mention the vast additional amount of work involved in its preparation. Moreover, I am leaving this week on a vacation of about ten days' duration, the first I have taken in over a year.

Under the circumstances, even with the best of intentions, it is physically impossible before my departure to obtain and study the statistics which form the basis of the subject. At the earliest possible moment I will write you again on my return.

Nevertheless, I wish to mention here that, if you decide to call a Canadian intergovernmental conference at Ottawa, we will be happy to attend and we will not hesitate to defer our parliamentary work should this conference take place during the session of our legislature.

With my sincere regards,

(Sgd.) M. L. DUPLESSIS

Copy
Translation

Office of the Prime Minister
Canada

Ottawa, October 15, 1954.

The Honourable M. L. Duplessis,
Premier of the Province of Quebec,
Parliament Buildings,
Quebec, Que.

My dear Premier:

I have received your letter of October 11 and I understand that, under the circumstances, it has not been possible for you to send me the information which, at our meeting of October 5 concerning your suggested amendments to your income tax act, we had agreed you would forward to me.

I hope that, when you receive this letter on your return, you will have had a pleasant and restful vacation and that we will then be able to resume consideration of a temporary and acceptable solution of the matter which is a problem for all of us.

With kind regards,

Yours sincerely,

(Sgd.) LOUIS S. ST. LAURENT

Copy
Translation

Office of the Premier
Province of Quebec

Quebec, November 1, 1954

The Right Honourable Louis S. St-Laurent,
P.C., Q.C.,

Prime Minister of Canada,
Ottawa, Ontario.

Dear Mr. Prime Minister:

Pursuant to our interview in Montreal on October 5th last and to the letter I sent you on the 11th of the same month, I am writing you on the subject of the provincial income tax in and for the province of Quebec.

We believe that we clearly defined the opinion and the attitude of the government of the province of Quebec, in matters of the powers of taxation during the Canadian intergovernmental conferences which were held in Ottawa since 1945 and came to a close at Quebec in 1950, as well as in the correspondence we have had with federal authorities, particularly since 1949.

The agreement concluded between the preceding provincial government and the federal authorities, concerning important provincial powers of taxation, expired in 1947. Since then, the province of Quebec has not availed itself of its right to collect a provincial income tax in the province. This shows the earnest desire of the Quebec government to come to an agreement with Ottawa and, after all, the federal government has profited financially, to a large extent, by this situation which lasted approximately seven years.

The great progress and the tremendous developments, from which our immense province benefits, particularly large and

numerous districts which were formerly less-favoured, necessitate numerous public services and many improvements in several important fields of provincial administration, especially in the vital fields of education and hospitalization.

Such tremendous progress and the brilliant prospects before the province require a more complete utilization of the sources of provincial revenue. It is unnecessary to emphasize that the progress and prosperity of the province of Quebec make a truly worthy contribution to the progress and prosperity of the country in general.

Therefore, the Quebec legislature decided to levy, within the province, a provincial tax on personal income. Unquestionably, as agreed by all, it is a tax that the Canadian constitution authorizes Quebec to impose. Actually, this tax represents only approximately 10 per cent of the federal tax on personal income collected in the province of Quebec, because, even though our provincial tax is apparently calculated to be 15 per cent of the federal tax, the exemptions provided by the provincial law materially reduce this proportion.

In short, the provincial tax represents approximately 10 per cent of the federal income tax collected from the taxpayers in the province of Quebec and, by deducting the provincial tax from the federal tax, Ottawa will in fact receive about 90 per cent of the tax on personal income collected in the province of Quebec.

The federal authorities assert that the province and the federal government have concurrent rights of taxing personal income. About 10 per cent to the province and about 90 per cent to Ottawa is an extraordinarily reasonable concurrence, you will no doubt agree. Furthermore, it should be recalled that our provincial income tax is used entirely for purposes of education and hospitalization, public health and social legislation among others, in and for the province.

Since the end of the last war—I merely mention facts without details or appraisal—some provinces have abandoned to the central authority certain important sources of provincial income in return for payment by Ottawa of federal subsidies to these provinces.

We have said on several occasions that the province of Quebec wishes to retain its powers of taxation and does not wish to exchange them for subsidies. We consider it our duty to maintain such an attitude.

We are ready to enter into a really temporary agreement which would grant to the parties concerned a further extension of time to arrive at a definite arrangement. The federal authorities are of the opinion—and we respect their opinion without sharing it—that they have the right to impose taxes in one province to assist certain provincial projects in another province. The province of Quebec has always been and is still ready to co-operate reasonably and in a constitutional manner for the welfare and prosperity of the other provinces of the Canadian confederation.

It is beyond question that the revenue derived from taxes levied by Quebec, including the provincial tax on personal income, and which would be affected by the arrangements arrived at between Ottawa and the other provinces, it is beyond question, I say, that such revenue of the province of Quebec represents much smaller sums than the amount offered by Ottawa to the province of Quebec in its proposal to exchange important sources of provincial revenue for federal subsidies.

In short, the other provinces and the federal authorities, in our humble opinion, cannot reasonably object to the proposal we are making; first, because the amount collected by the province is financially less than the grant offered by the federal government and, secondly, because, as everyone agrees, the province is only exercising an indisputable right. It seems to us only elementary justice that the federal authorities should deduct from their tax on personal income paid to Ottawa by the taxpayers of Quebec, the amount of the provincial income tax which only after all represents a small fraction of the federal tax.

It is our profound conviction that the taxing powers which belong to the province of Quebec must be exercised by the province. These powers, which spring from dearly acquired rights and freedom, are indispensable to responsible government; they are also essential if the province is, freely and in accordance with its religious and national traditions, to exercise its rights and fulfil its obligations, amongst others, those pertaining to the vital fields of education and hospitalization.

In order to reach an agreement concerning the deduction of our provincial tax, we are ready to delete from our act authorizing a provincial tax on personal income the statements, in the preamble, to the effect that the province has a prior right in the matter of direct taxation.

Further, we shall give effect, by order in council, to the decision we have taken, a couple of months ago, with a view to making the tax payable to Quebec on undistributed income and dividends consistent with the federal act. In other words, by virtue of

such amendment, the province will only get 15 per cent of the rates authorized by the federal act in such cases.

Our provincial tax act on personal income is for a period of three years, that is to say, for each of the calendar years 1954, 1955 and 1956; we suggest that an agreement to be arrived at between Ottawa and Quebec should be for the same period.

The Quebec government wishes earnestly to reach an amicable settlement of this problem, and we express the hope that the above-mentioned provincial proposals will be favourably received by the federal authorities.

As I wrote you on October 11th, "if you decide to call a Canadian intergovernmental conference at Ottawa, we will be happy to attend and we will not hesitate to defer our parliamentary work should this conference take place during the session of our legislature".

Yours very truly,
(Sgd.) M. L. DUPLESSIS

Copy
Translation

Office of the Prime Minister
Canada

Ottawa, November 5, 1954

The Honourable
Maurice L. Duplessis, Q.C., LL.D.,
Premier of the Province of Quebec,
Parliament Buildings,
Quebec, Que.

Dear Mr. Duplessis:

Pursuant to our telephone conversation of Wednesday November 3 concerning your letter received the day before, I wish to inform you that I am having statistics compiled by our officials of the Department of Finance, with a view to determining what would result, as regards deductions, from the fact that, to establish the taxable income under the federal act and your own act, the amount of such taxable income would be, for all single taxpayers, $500.00 less under the Quebec act than the federal act and, for all married taxpayers, $1,000.00 less.

Possibly, your officers have already prepared compilations to that effect, and if such were the case, it might be a good thing if we were to agree to their contacting ours, so as to prevent the possibility of misunderstanding which would affect the governing rules to be applied in order to eliminate double taxation.

Yours very truly,
(Sgd.) LOUIS S. ST. LAURENT

Copy
Translation

Office of the Premier
Province of Quebec

Quebec, November 10, 1954

Right Honourable
Louis S. St. Laurent, P.C., Q.C., LL.D.,
Prime Minister of Canada,
Ottawa, Ont.

Dear Mr. St. Laurent:

I reply as soon as possible to your letter dated November 5 and which was delivered to my office the day before yesterday.

We would be pleased to supply the particulars mentioned in your letter with respect to the effect of the said deductions.

Our minister of finance, the Honourable Mr. Gagnon, is presently taking a few days' holiday. If the officers of the federal Department of Finance, who are compiling the statistical tables to which you refer in your letter, wish to get in touch with my executive assistant, Mr. Emile Tourigny, Q.C., and indicate to him the exact information they wish to obtain concerning the provincial exemptions, the reply will be forwarded with all possible dispatch.

Kindly accept, Mr. Prime Minister, my best regards.

(Sgd.) M. L. DUPLESSIS

Copy
Translation

Office of the Prime Minister
Canada

Ottawa, November 12, 1954

The Honourable
Maurice L. Duplessis, Q.C., LL.D.,
Premier of the Province of Quebec,
Parliament Buildings,
Quebec, Que.

Dear Mr. Duplessis:

I received this morning your letter of November 10th, which is in reply to mine of the 5th.

I am advising my colleague, the Minister of Finance, of the substance of your letter in order that the officers of his department may communicate with Mr. Tourigny, should the occasion arise.

With kind regards,

(Sgd.) LOUIS S. ST. LAURENT

Federal-Provincial Fiscal Relations

Copy
Translation

Office of the Prime Minister
Canada

Ottawa, January 14, 1955

The Honourable Maurice L. Duplessis, Q.C.,
Premier of the Province of Quebec,
Parliament Buildings,
Quebec, Que.

My dear Premier:

Since receiving your letter of November 1, my colleagues and I have considered at length the problem raised by the Quebec income tax and by the fact that the taxpayers having to pay it remain subject also to the federal tax.

This is, of course, an inevitable consequence of two jurisdictions exercising their concurrent rights to tax the incomes of the same persons. The only way you suggested to avoid the effect of double taxation upon the taxpayers of Quebec is for us to deduct from the federal tax on the income of each individual an amount equivalent to the amount which he is required to pay as the provincial tax.

In your letter, you state that the provincial tax "represents only approximately 10 per cent of the federal tax on personal income collected in the province of Quebec because, even though our provincial tax is apparently calculated to be 15 per cent of the federal tax, the exemptions provided by the provincial law materially reduce this proportion". In this quotation from your letter, you refer to two different aspects of the provincial law. When you state that the Quebec tax represents approximately 10 per cent of the federal tax you compare the yield of the provincial tax to the amount produced by the federal tax in the province of Quebec.

When you say that your tax "is apparently calculated to be 15 per cent of the federal tax", you explain this percentage by referring to the scale of exemptions granted by your law. This scale is such that it does not subject to your tax all the Quebec taxpayers who are obliged to pay the federal tax. In order to obtain an amount corresponding to 10 per cent of the amount yielded by the federal tax, it has been necessary to fix, for those who have to pay your tax, a higher rate than if you had distributed the burden over all those we tax.

Provincial legislatures have, like the federal parliament, the right and the responsibility to distribute the burden of their taxes on their taxpayers in whatever way seems most appropriate to them. This is a right and a responsibility which is the same for all provinces, and none of them can be compelled to conform with the course of action followed elsewhere. Whatever differences there may be in the rules adopted by the different provinces, the federal law must be the same everywhere and it must be such as to leave the federal government with the revenues needed to fulfil its national responsibilities.

At present the federal law allows every Canadian taxpayer having to pay a provincial personal income tax to claim a deduction up to 5 per cent of his federal tax. This method of deduction raises certain administrative difficulties and, what is more serious, it makes the real incidence of the provincial tax depend on the terms of the federal law and makes the total amount deducted from the federal tax depend on the terms of the provincial law. Instead of deducting the provincial tax from the federal tax, we intend to propose to parliament a reduction of the federal tax for all taxpayers of a province having a provincial tax, whether or not they have to pay the provincial tax. Thus, the taxpayers of such a province will receive the benefit of the total amount of the reduction in the federal tax and the federal and provincial authorities will be able to determine, independently of one another, in what way and to what extent their taxpayers will be subjected to their respective taxes.

The 5 per cent deduction allowed at present by the federal law was fixed in 1946. Since that time, two changes have occurred. In the first place, the rates of the federal tax have been reduced with the result that there has been a corresponding reduction in the amount represented by the 5 per cent. In addition, the tax rentals paid by the federal government to the provinces under the tax agreements have been rising as a consequence of the increase in the population and in the national product.

Pending the results of a new federal-provincial conference, we propose therefore to ask parliament to amend the federal income tax law in order to grant a reduction of 10 per cent to all taxpayers of any province where a provincial income tax is levied whether or not all these taxpayers have to pay the provincial tax. We will recommend that this amendment apply to the years 1955 and 1956. At the same time, we will ask parliament to release from its present agreement any province which would prefer this new arrangement and I am immediately so informing the other premiers.

Moreover, we feel it would be reasonable to make the new percentage apply to taxpayers who have been in fact subjected to two

taxes on their 1954 income. We intend, therefore, to propose that the taxpayers who will have paid provincial income tax for 1954 be allowed a deduction up to 10 per cent of their federal tax.

We hope that this action on our part will encourage your government to act in the same spirit and that we will have, on both sides, helped to prepare the atmosphere for useful and fruitful work during the next federal-provincial conference.

In any event, we would have had to meet before the end of 1955 to discuss the fiscal relations of the years which will follow the expiry of the present tax rental agreements. We feel that it might be appropriate to begin the new conference at an earlier date, if that is possible. Upon my return from the commonwealth meeting in London, towards the middle of February, I intend to communicate with the premiers of all the provinces with a view to working out arrangements for a conference and fixing a date for it.

Yours sincerely,

(Sgd.) LOUIS S. ST. LAURENT

Copy

The following letter sent to all provincial premiers with the exception of the premier of Quebec:

Office of the Prime Minister
Canada

Ottawa, January 14, 1955.

My dear Premier:

You will no doubt have learned from the press that I have been in communication with the premier of Quebec about the situation created for personal income taxpayers in that province resulting from the imposition of a provincial income tax applicable in the years 1954, 1955 and 1956.

Before this provincial tax was imposed, the situation in Quebec was that the income taxpayers of that province were paying federal taxes at the same rate as other Canadians although the people of Quebec were not receiving the financial advantage for their provincial services that the people of the other provinces were receiving through the tax rental agreements.

Since the imposition of the provincial tax many of the personal income taxpayers in Quebec are required to pay higher personal income taxes than other Canadians, and payments under the tax rental agreements are still unavailable to the people of that province, because the government of the province preferred, as was its right, not to conclude an agreement.

At the time the provincial tax was imposed, the provincial authorities suggested publicly that the total amount of the tax paid to the province should be allowed by the federal authorities as a tax credit against the federal income tax.

If the federal government had accepted this suggestion, we would have felt obliged to make the same concession to any other province, and this would have meant that the effective rate of federal taxation in each province would have been set by the provincial authorities and would have differed from one province to another. We felt that the federal law must be uniform in its application in all provinces.

We did indicate, however, that the federal government was not wedded to the principle of tax rental agreements to the exclusion of any better alternative arrangement if one could be found. At the same time, we made it clear that the present government had no intention of abandoning the objective of the tax rental agreements which is to make it financially possible for all the provinces, whatever their tax base, to perform their constitutional functions themselves and to provide a reasonable Canadian level of provincial services without an abnormal burden of taxation. That is the foundation of the policy of the federal government.

I had a meeting with the premier of Quebec at his request in October and he indicated, at that time, that he was considering making certain amendments to the provincial tax law which he hoped might make some temporary arrangement possible. My colleagues and I felt it was our duty to make every effort to find some alternative to the tax rental agreements which would preserve the fundamental objective of those agreements which I have mentioned and at the same time be more acceptable to all provincial governments.

We are not yet in a position to propose an alternative to the tax rental agreements which we believe would be generally satisfactory and, as the agreements still have two years to run, we felt that, meanwhile, we should propose a stopgap arrangement which, without being unfair to the other provinces, would reduce the burden of double taxation placed on many of the income taxpayers in the province of Quebec.

I have already indicated that we could not meet the suggestion of the Quebec authorities and allow the whole of their provincial income tax to be deducted from the federal tax, unless we were prepared to accord a similar right to any other province.

It is our view that whatever differences there may be in the tax laws adopted by the

different provinces, the federal laws must be the same everywhere and must be such as to leave the federal government with the revenues needed to fulfil its national responsibilities.

At present the federal law allows every Canadian taxpayer having to pay a provincial personal income tax to claim a deduction up to 5 per cent of his federal tax. This method of deduction raises certain administrative difficulties and, what is even more serious, it makes the real incidence of the provincial tax depend on the terms of the federal law and makes the total amount deducted from the federal tax depend on the terms of the provincial law. Instead of deducting the provincial tax from the federal tax we intend to propose a reduction of the federal tax for all taxpayers of a province having a provincial tax, whether or not they have to pay the provincial tax. Thus, the taxpayers of such a province will receive the benefit of the total amount of the reduction in the federal tax and the federal and provincial authorities will be able to determine, independently of one another, in what way and to what extent their taxpayers will be subjected to their respective taxes.

The 5 per cent deduction allowed at present by the federal law was fixed in 1946. Since that time, two changes have occurred. In the first place, the rates of the federal tax have been reduced with the result that there has been a corresponding reduction in the amount represented by the 5 per cent. In addition, the tax rentals paid by the federal government to the provinces under the tax agreements have been rising as a consequence of the increase in the population and in the national product.

Pending the results of a new federal-provincial conference, we propose, therefore, to ask parliament to amend the federal income tax law in order to grant a reduction of 10 per cent to all taxpayers of any province where a provincial income tax is levied whether or not all these taxpayers have to pay the provincial tax. We will recommend that this amendment apply to the years 1955 and 1956. At the same time, we will ask parliament to release from its present agreement any province which would prefer this new arrangement.

Moreover, we feel it would be reasonable to make the new percentage apply to taxpayers who have been in fact subjected to two taxes on their 1954 income. We intend, therefore, to propose that income taxpayers who will have paid a provincial tax for 1954 be allowed a deduction up to 10 per cent of their federal tax.

I shall be glad to know at your convenience whether your government would wish to be released from the tax rental agreement in order to take advantage of the proposed new arrangement for 1955 and 1956.

It had always been understood that it would be necessary to hold a federal-provincial conference before the end of 1955 to discuss fiscal arrangements for the years which will follow the present tax rental agreements. In the light of recent developments it might be the desire of the provincial governments to have this conference held at an earlier date.

I shall accordingly communicate with you again shortly after my return from the commonwealth prime ministers' meeting in London towards the middle of February with a view to working out arrangements for a conference at a time which will be satisfactory to all governments concerned.

Yours sincerely,

(Sgd.) LOUIS S. ST. LAURENT

HOUSE OF COMMONS

Tuesday, January 18, 1955

The house met at 2.30 p.m.

NATIONAL HARBOURS BOARD ACT

AMENDMENT TO INCREASE MEMBERSHIP OF BOARD

Hon. George C. Marler (Minister of Transport) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the National Harbours Board Act to provide that the national harbours board shall consist of four members in lieu of three members as at the present time.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

LABOUR CONDITIONS

STRIKE OF ELECTRICAL WORKERS AT BURRARD DRYDOCK

On the orders of the day:

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to ask a question of the Minister of Defence Production. Has the minister been informed that commencing at noon on Thursday, January 13, the Burrard drydock in North Vancouver was shut down by a strike of electrical workers in that plant? Will the minister take steps to ascertain if an honest attempt was made by both sides to reach a settlement in the dispute before the strike was called?

Perhaps I should ask this question of the Minister of Labour, but I am directing it to the Minister of Defence Production because I understand naval contracts are being carried out at the yard. If the Minister of Defence Production would rather the Minister of Labour answered it I will see that he gets a copy.

Right Hon. C. D. Howe (Minister of Defence Production): Mr. Speaker, I think the question would be more properly asked of the Minister of Labour. I may say that we knew of the pending dispute and did our best to avoid a strike. I have not been informed of what has happened since Thursday and I am sure the Minister of Labour is better informed.

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, my department, too, has been informed of the details of the dispute which caused a strike between the electrical trade union, local No. 1 C.C.L., and the Burrard Dry Dock Company Limited. My colleague, the Minister of Fisheries (Mr. Sinclair), has brought certain aspects of the matter to my attention. Since these activities come entirely within provincial jurisdiction I do not think that I as Minister of Labour should question what has been done in the way of conciliation proceedings.

H.M.C. DOCKYARD, ESQUIMALT—RETIREMENT AGE OF CIVILIAN EMPLOYEES

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I should like to refer to a question asked by the hon. member for Esquimalt-Saanich (Mr. Pearkes) in which he asked me to look into the retirement of civilian employees at H.M.C. Dockyard, Esquimalt. On investigation I find that of a total of 3,259 civilian employees at the dockyard, some 140, of whom 40 are casual employees, have been given notice that they will be retired on account of age during the current year.

The 40 casual employees will be released on February 28. The remaining 100 are part of the continuing complement of the dockyard and they will be released at various dates during the year. Extensions beyond the normal retirement age of 65 had previously been granted to some of these employees and they will be released at the end of their period of extension. Adequate notice is being given in all cases.

REPORTED LAY-OFFS AT DOMINION ARSENALS

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I should like to direct a question to the right hon. Minister of Defence Production. Is the minister aware that 40 women were laid off at the Valcartier arsenal some time last week and that 22 were laid off at the Quebec arsenal at the same time?

Inquiries of the Ministry

Will the minister tell the house if some other lay-offs are expected in these arsenals? Rumours are circulating to the effect that many hundreds of male employees will be laid off in the near future.

Right Hon. C. D. Howe (Minister of Defence Production): Mr. Speaker, just a few moments ago, I received notice from my hon. friend that he intended to ask this question. The fact that 40 women have been laid off from the Valcartier arsenal and 22 men from the Quebec arsenal naturally would not have escaped my attention. However, I will take this question as notice and endeavour to give a more complete answer at another sitting.

NATIONAL DEFENCE

REFERENCE TO STATEMENT BY LIEUTENANT GENERAL SIMONDS

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Has the minister's attention been drawn to the press report of a speech made yesterday in Montreal by the chief of the general staff, Lieutenant General Guy Simonds, in which he is reported as having advocated compulsory military service for Canadian young men and, if so, can the minister inform the house if General Simonds was authorized to make such a statement of policy? If not, is it the intention of the government to discipline him for having done so?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I should like to thank the hon. gentleman for having given me notice of this question. I have seen the press report to which his question refers but I have not had an opportunity to discuss its accuracy with Lieutenant General Simonds. If the hon. member will look at the full tenor of the article I think he will see that Lieutenant General Simonds was not really advocating compulsory military training for this country at the present time.

In any event the view alleged to have been expressed by him was also expressed by him last year at Saint John, New Brunswick. In answer to a question which raised the identical point referred to in this question Lieutenant General Simonds expressed the identical view indicated in the press report of his recent speech.

As a result a question was raised in this house on June 23, 1954 at which time the then minister of national defence, in referring to the answer given by Lieutenant General Simonds, made the following statement, as reported on page 6521 of *Hansard:*

> He made a reply which I think you could expect almost any officer to make, namely that he would be glad to see every youth in the country receive two years' military training.

Mr. Cameron (Nanaimo): I have a supplementary question to ask the minister. In view of his answer, are we to understand that the government approves of generals on the active list making policy statements in public?

Mr. Campney: I think this is still a free country. If the hon. member will refer to the full press report I think he will find that his reference to the making of a statement of policy for this country is mistaken.

(Translation):

EXTERNAL AFFAIRS

ADMISSION OF COMMUNIST CHINA TO UNITED NATIONS—POSITION OF CANADA

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I wish to put a question to the right hon. the Prime Minister.

Would the Prime Minister indicate to the house what attitude he will take, on behalf of Canada, should the question of the entry of communist China into the United Nations be included in the agenda of the commonwealth prime ministers' conference?

Mr. Speaker: If the hon. member will only look at the debates for yesterday he will see that that question has already been put and that the Prime Minister has answered it.

Mr. Dufresne: Will the Prime Minister tell us what are his own personal feelings on the subject?

(Text):

Mr. Speaker, I think the Prime Minister wishes to answer.

(Translation):

[*Later:*]

Mr. Dufresne: Mr. Speaker, I would like to have the answer which the Prime Minister was ready to give me a moment ago; will he tell me, yes or no, whether he favours the admission of communist China into the United Nations?

Right Hon. L. S. St. Laurent (Prime Minister): I have no answer to give to that question.

(Text):

POLIOMYELITIS

DISTRIBUTION OF SALK VACCINE

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, can the Minister of National Health and Welfare give an assurance that

sufficient quantities of Salk polio vaccine will be available for full use in any of the provinces which may require it, and would the minister further make a statement as to the success of this vaccine in the control of poliomyelitis?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, the hon. gentleman gave me notice of his intention to ask this question and I thank him for so doing. As I said last year, the government, in conjunction with the provinces, has taken every step to make sure that within the bounds of reasonable possibility this vaccine would be made available for the people of Canada if and when the Salk polio vaccine had been finally assessed for value. That time has not yet been reached so I cannot say anything about its final value except to express a great hope.

AIR TRANSPORT

INQUIRY INTO CRASH AT CRUMLIN, ONTARIO

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I would like to address a question to the Minister of Transport arising out of the lamentable air crash near Crumlin airport last Friday which resulted in the untimely death of Mr. Robert Saunders, chairman of the Ontario Hydro Electric Power Commission. Has the minister looked into two facts which have been reported in connection with this tragedy; the first being that there was a failure of power at the airport and no indication that there were in use at that time any auxiliary or mobile lights or such other equipment; secondly, that there was a delay of more than an hour before the stretcher party arrived at the scene of the accident from the airport?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I would not like to rely on my memory concerning the first question the hon. member has asked, but I shall take his question as notice and reply tomorrow. With regard to the second part of his question I might say that I have no information whatever on the subject.

PUBLIC BUILDINGS

WINNIPEG POST OFFICE—INQUIRY AS TO CONTRACT

On the orders of the day:

Mr. Fernand Viau (St. Boniface): Mr. Speaker, I should like to ask two questions of the Minister of Public Works with respect to the Winnipeg post office. Is he now able to table a copy of the contract signed between the government of Canada and the Foundation Company of Canada with reference to the construction of the Winnipeg post office and setting out the firm price list, and also the names of the subcontractors and the price agreed between the two parties? Second, would he confirm or deny that the Foundation Company of Canada made a further request for a grant beyond the firm price agreed upon in the fall of 1954?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I was unable to hear the second part of the question but perhaps the hon. member can inform me of it later in the day. With respect to the first question I shall be very glad to table a copy of the contract which, as my hon. friend knows, does not contain a list of all the subcontractors. But I will table it in the form in which it was written.

Mr. Knowles: When will construction commence?

[*Later:*]

Mr. Knowles: Mr. Speaker, I wonder if the Minister of Public Works heard my question which was supplementary to the question asked by the hon. member for St. Boniface (Mr. Viau), and whether he can answer it. When will construction of the new Winnipeg post office begin?

Mr. Winters: I understand that construction will commence in the very near future, if it has not already been put in hand.

INCOME TAX

DEDUCTION OF PROVINCIAL TAX—AMENDMENT OF INCOME TAX ACT

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Can the Prime Minister or the Minister of Finance tell us when the bill amending the federal income tax law designed to implement the policy outlined by the Prime Minister yesterday will be brought before this house?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I have just been looking at the orders of the day and observe that we have 18 items awaiting the conclusion of this debate. When the debate is concluded we shall set out government business in such a manner that the hon. member will have ample notice of the bill of which he speaks.

[*Later:*]

Mr. Hamilton (Notre Dame de Grace): May I ask the Minister of Finance whether it is proposed to discuss the terms of the amending bill, about which I asked a few minutes

ago, with the premier of Quebec and his advisers before it is brought before this house?

Mr. Harris: Mr. Speaker, I think perhaps the answer is so obvious that my hon. friend could supply it.

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, might I repeat the question?

Mr. Speaker: No.

DIPLOMATIC INSTRUMENTS

ACCESSION OF THE FEDERAL REPUBLIC OF GERMANY TO NORTH ATLANTIC TREATY ORGANIZATION

On the orders of the day:

Mr J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Acting Secretary of State for External Affairs. On January 10 the Secretary of State for External Affairs (Mr. Pearson) placed on *Hansard* the protocol the approval of which will be debated here the day after tomorrow. Would the minister give consideration to placing either in *Hansard* or in *Votes and Proceedings* the agreement made at the four-power and nine-power conferences which preceded the agreement to which the protocol in question refers?

Hon. Paul Martin (Acting Secretary of State for External Affairs): Mr. Speaker, the Secretary of State for External Affairs spoke to me about this matter before he left today for a funeral in Toronto. He personally has no objection, subject to the wishes of the house, to the tabling of the relevant texts of the London and Paris agreements. In the meantime, I have looked over the schedules and most of them are long and quite meaningless without reference to the Bonn convention of 1952. In expressing the minister's wish I would say there can be no objection to this request providing it is understood that it would not be necessary to print the entire schedules. Instead a résumé of them could be given relative to the information which the hon. member seeks, and that résumé could be printed in *Hansard*, as was done the other day.

Mr. Speaker: Is it the wish of hon. members to give their opinion now as to the request made by the hon. member for Prince Albert (Mr. Diefenbaker) and the suggestion made by the Acting Secretary of State for External Affairs? Perhaps we might take that up when the documents are tabled. I was just about to call orders of the day because no one else rose, and I rose at this time to ask whether the house wishes me to request unanimous consent to have these documents printed.

My problem is that we are taking a decision now about documents we do not have. I feel that later on we could revert to motions and at that time consent could be given. It would be most irregular to give consent now when the documents are not available.

[*Later:*]

Mr. Speaker: Perhaps we might consider the request made by the Minister of National Health and Welfare (Mr. Martin) to revert to motions at this time, and ask the consent of the house to have the documents he will now table printed as an appendix to *Votes and Proceedings*. Is that agreed?

Some hon. Members: Agreed.

Mr. Martin: Mr. Speaker, I table three copies, in English and in French, of the final act of the London conference, October 3rd. I would simply point out that I understand now that the Secretary of State for External Affairs (Mr. Pearson) on January 10 tabled the other agreements and that the protocol itself was also tabled, so that with this tabling now, all of the documents to which my friend the hon. member for Prince Albert (Mr. Diefenbaker) directed our attention are now before the house and his request is therefore in a position to be acted upon.

PUBLIC SERVICE SUPERANNUATION ACT

REQUEST FOR STATEMENT ON PROCLAMATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Can the Minister of Finance say whether last session's legislation which amended the Public Service Superannuation Act providing life insurance or death benefits for civil servants and members of the armed forces has been proclaimed and, if so, can he say what percentage of civil servants and members of the armed forces appeared to be satisfied with this legislation?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, the section referred to has been proclaimed. I do not recall offhand the date, but it was some time in the last ten days of December, to take effect on January 1. After November 1, which was the closing date for members to indicate their preference, we found that a sufficiently large number had shown their preference in favour of the legislation that we felt it was desirable to proclaim it as parliament had indicated earlier in the summer that it should be proclaimed.

Mr. Macdonnell: Does the minister remember the percentage?

Mr. Harris: My recollection is that it was about 12 per cent, but I would not want to say that definitely at the moment.

Mr. Knowles: Only 12 per cent were opposed?

Mr. Harris: Twelve per cent who had indicated their option against it.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, January 17, consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Rowe, and the amendment to the amendment of Mr. Coldwell.

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, many will agree that in the policy of the throne speech there has been a noticeable trend towards saying less of future plans and of dwelling more on past achievements. This policy is all right for government members because they have ready-made for them a speech which can be dressed up with some slight detail; but for a member of the opposition who wants to do a conscientious job, it is not all right. He is forced to take a negative approach to the throne speech itself and consequently he falls back on this negative method of regretting that no action has been taken or of regretting that the wrong action has been taken. At the beginning of my speech I wish to apologize for this negative approach but with this trend apparent in the speech from the throne, I cannot see how any different attitude can be taken.

In the maritimes generally and in Saint John in particular we find the same situation prevailing, that of loss of markets, and unemployment. I think I should be fair and generous to say that the grain shipments through Saint John have increased somewhat, but unemployment is, at the best, about the same as it was last year. But there is a dangerous trend, Mr. Speaker, towards an increase in welfare demands. To me that means that the unemployment of past years is catching up with us. I know that in Saint John this Christmas the welfare demands of the citizens were four and five times as great as those of the previous year. There is a danger that should be noted there. In approaching this important throne speech debate in a constructive way, we find in the speech only vague references to regional and seasonal unemployment. There is mention of the commonwealth conference which is of interest to us, but nothing more is said. I am pleased that our amendment lists the loss of markets and the unemployment situation first in that order.

I have a long list of these so-called regrets but in picking out four or five I first would say that we regret the further loss of the United Kingdom markets. This hackneyed phrase of putting all our eggs in the one trade basket has perhaps been worn a little bit thin but one is forced to comment that it must be some basket by now.

The figures on the United Kingdom market show that in the first nine months of 1954—and they are the only figures readily available—British imports from Canada dropped in value to $192 million from $228 million in the same period last year. What is more noteworthy is that this decline in Canadian sales to the United Kingdom came at a time when other United Kingdom imports remained constant. In other words, the United Kingdom has held its own with imports from other countries—South Africa, India, New Zealand, Ceylon and so on—but their imports from Canada decreased sharply to the amount that I have shown.

When the Prime Minister (Mr. St. Laurent) goes to the commonwealth conference with his contingent, surely it is not too much to ask that for the first time we take a little bit of leadership with regard to these interesting trade problems. If it is necessary to take the leadership in the matter of convertibility, in some limited way, let us do that. If it is a matter of some imperial preference, let us not be afraid to examine this matter and to push for it at the conference. I had occasion to do some research work on preferences and tariffs, and it amazed me to note that in the past history of imperial preferences, all leadership has been taken by the members of the commonwealth or of the empire, as it was then. There has never been any definite stand or a definite forcing of opinion by the so-called mother country in these matters. I feel strongly that we should not hesitate to take a strong stand in these two matters of convertibility and preferences.

Also interesting in this connection were the statements made last year by Mr. Thomas McKittrick, who appeared before the trade relations committee of the other place, when he made the bland remark that convertibility was in the hands of Canada. That is a statement by one of the leading bankers of the United States, and he was throwing on our

shoulders the responsibility of bringing Britain and the United States together. This surely would be a great time for us to show that leadership which we so obviously have been hesitant to take.

We also regret the increasing trend to ship Canadian produce and manufactured goods through United States ports. I have here some figures that show that there has been little decrease in the amount of produce that is being sent to the other ports of the world from Canada through the United States. The figures are still alarming and no definite trend can be indicated. The figures that are more alarming perhaps are the ones that show our protected industries—that is industries in Canada which have some degree of protection —are the ones that use these United States ports almost exclusively. The figures are as follows:

Shipments Through United States Ports

	1952 per cent	1953 per cent
Automobiles	89·46	84·04
Auto parts	77·61	56·54
Tires, motor vehicles, pneumatic tire casings	78·08	84·78
Farm implements and machinery	82·26	80·86
Machinery, except agricultural machinery	55·76	44·51
Whiskey	45·92	44·69

These figures are of great concern to us because Canada has invested thousands of dollars in her transport facilities and yet we have not followed through with encouragement of domestic and foreign trade. It is a well known fact that the United States government is continually encouraging and advertising the use of their ports, but we seem to have fallen down in that respect. We have comparable facilities at our Canadian ports. Our handling is efficient, costs are supposed to be on a parity with United States rates, and yet when our ports need definite help because of economic conditions such help is not forthcoming. The government should take some definite action. It has not only a responsibility but also a definite obligation to see that these industries which are protected to a great extent should be forced in some manner to use Canadian ports for both import and export trade.

There has been considerable interest by Canadian manufacturers but the time has come when the government will have to give consideration to taking some action in this regard. One suggestion that should be investigated is the possibility of having our trade commissioners authorized and instructed that in their negotiations in other countries regarding imports and exports they should solicit the use of Canadian ports entirely. The United States government does it. Why can we not do the same thing?

We further regret that no action has been taken on the request of the provincial government of New Brunswick with respect to hydroelectric development. The other day Mr. James Muir, president of the Royal Bank of Canada, said at the bank's annual meeting that there must be a farsighted policy to develop Canada's resources. We in New Brunswick are proud of the fact that this year we are spending $182 million on capital investment. This exceeds the figure for 1954 and is a new high, representing an increase of almost $18 million over the previous year's total of $164 million. On a percentage basis these figures indicate that our province is ahead of all other provinces in capital investment. Surely that is a good indication that we want to help ourselves. We have been able to dig up enough money on our own to lead the country.

The St. Lawrence seaway is taking shape and progressing. The pipe line is moving ahead, although I would not wish to comment on the present position of progress in this respect. But when these all-Canadian developments are presented to us we wonder why our request for hydroelectric development cannot be considered in the same way. It was interesting to note the other day that Mr. Rand Matheson of the maritime transportation commission made the first noteworthy statement that I have seen on the effect of the seaway on the maritime ports. He is reported as saying that, as business is taken inland with the development of the seaway, manufacturers and other exporters will tend to ship more during the summer months and thus decrease the winter business of the maritime ports.

This situation is alarming to us and we wonder why consideration cannot be given to our appeals. This is an appeal made in a non-partisan way. The opposition members of the New Brunswick legislature have given some sort of approval. At least they have not objected. To my knowledge no New Brunswick member in the House of Commons has raised any objection. Their silence is a little bit alarming to me although the hon. member for Gloucester (Mr. Robichaud) did comment on it the other day, and there is a non-partisan approach to the whole matter.

More hydroelectric power would solve our industrial bottleneck and we could make plans for the development of our new mineral discoveries. It amused me very much

to read in a newspaper the other day that Canada was permitting $3 million of its Colombo plan money to be used for hydroelectric development in India. It is quite ironical when you think that we in New Brunswick are asking for assistance with respect to our hydroelectric power development and cannot seem to get anywhere. Yet it is all right for the Canadian government to give $3 million to India to develop hydroelectric power there. This necessary assistance would enable us to round out our development. It would go a long way to help our economy. Of course there is the fact that the Atlantic provinces comprise a regional market of nearly two million people. In the years ahead Canadian industries in the central part of Canada would for various reasons such as high freight rates perhaps wish to decentralize their industries by coming to the maritimes. We would be able to offer them hydroelectric power and the regional market that is available. Surely we are not going to get a no answer to this request.

In the third place we regret that in the changes and reorganization of the reserve army that took place during the past summer there was gross discrimination against us. I should like to review the story briefly so far as New Brunswick is concerned, and also Nova Scotia to some extent. We have always prided ourselves on the high number of our enlistments. In the first and second world wars I think we had the highest per capita enlistment of any of the provinces of Canada. We have a background of good training and tradition in our provinces, particularly in my own province with which I am a bit more familiar.

Last year I put a question on the order paper asking the Minister of National Defence (Mr. Campney) the present state, classification and training position of all the reserve army units in Canada. To my mind this was the key question as far as the changes were concerned and how they should be effected. The question went to the head of the order paper, stayed there for two months and that was the end of it. I suggest that these figures would have uncovered the unmistakable fact that our New Brunswick units were in A-one shape and probably unsurpassed anywhere in Canada. What happened? When the changes were made last year our three regiments, the North Shore regiment, the Carleton and York regiment and the New Brunswick Scottish, were wiped out entirely. It was not a case of reduction or reorganization, to which we might not have had any objection. It was simply the fact that in New Brunswick and Nova Scotia the units, as such, were completely wiped out. These are the only provinces in Canada in which the new units were given a provincial designation. When the major-generals Letson, Kennedy and Renault came down to New Brunswick to investigate the matter, they were only there for two hours. They talked to one or two army officials and gave no indication that these changes were coming. Evidently they went away without a clear picture of the facts.

I repeat, Mr. Speaker, that we do not object to the changes that had to be made. We realize that some reorganization of the reserve army had to take place. We do object to the fact that our units were completely wiped out. In reply to letters that were sent, the minister said it was necessary to reduce the infantry and increase the armour. I ask the question today, where is the increase in armour in the regiments in New Brunswick? There has not been any change whatever. Again there is a touch of irony in this whole case, as was the case in my previous regret. One regiment is now to be called the First New Brunswick Regiment, so we are right back where we started in 1793 because there was a Royal New Brunswick Regiment at that time.

We regret also, Mr. Speaker, the discontinuance of the railway lines in Albert county. There is a history connected with these lines that goes back a long way. The first reference in any act is to the Elgin line. This railway was originally partly financed by the people in the area surrounding Elgin. They were forced to buy bonds to help with this railway. When the Canadian National took it over, certain statements were made and a definite obligation was undertaken to continue this line which is so necessary to the residents of that area. The cheese factory at Elgin, the lumber and pit prop business as well as the new mineral discoveries, particularly copper in this area, all need this line of railway. The highways will not take the heavy load that the railway line can accommodate, so it is an absolute necessity that further consideration be given to any plans that are in the minds of the transport commission or the railway to tear up those tracks.

Another point of interest concerns the recent discoveries in Albert county, particularly of oil shale. New Brunswick has invested considerable money in a complete examination of the possibility of burning oil shale to provide electric power. A new New York firm has been approached and is in the process of doing that. I suggest it would be folly to do away with these railway

lines while the future looks so bright. While this was taking place, and while considerable opposition was building up to the loss of this line, evidently the government, in their sly little way, were toying with the idea of eliminating a further line in Albert county, the Hillsborough to Albert line. Just the other day the residents in this area were notified that there is to be a board hearing to ascertain why this line should not be removed.

One goes back twenty years when there was some talk of removing the same line, but for some reason or other the government left it there. Later gypsum was discovered and it was possible to locate quite a profitable industry in the area. If this line had been abandoned the industry, of course, could not have been accommodated. Here we are spending hundreds of thousands of dollars to develop the marshlands in Albert county in a successful way for the future, and at the same time talk of removing the railway line. What is going to happen to this investment in the marshlands? We sincerely hope, Mr. Speaker, that the government, through the Canadian National, will give every consideration to these appeals that the lines be left in their present position.

We regret further that there is too much rigidity in the Post Office Department around our area. Good officials are hamstrung because of the rigid requirements imposed by Ottawa. They make investigations quite thoroughly with respect to changes in the post office and carrier service, yet they are bound by the rigid requirements of the Post Office Department. The local officials fall back on the Ottawa department and their excuses, consequently bad public relations exist. Personally, I can say that I have had quite a few inquiries of the Post Office Department and I must admit that prompt replies have been received. There seems to have been a betterment of the condition that was so criticized during the last session.

However, in the East Saint John area the people greatly desire a new post office. The surrounding district of Little River feels it is entitled to a sub-post office. The Glen Falls area has been petitioning for some time for rural mail service. I understand that all these requests have gone through the local department in the proper way and have received the approval of the local officials. Someone here at Ottawa or back in Saint John has fallen back on the rigid requirements of the department that so much has to be given for a mail contract or a box has to be within so many yards of here or there before this mail service can be inaugurated. I suggest that some little discretionary power given to the local officials would not be out of the way in helping to repair the bad public relations that are building up.

In closing, Mr. Speaker, I should like to develop the pattern that seems to be shaping up in our area, particularly with reference to this debate. There has been this reckless abandonment of rail lines in Albert county, which seems to be contrary to the enthusiasm engendered by our new discoveries; there has been this indiscriminate undermining of our traditions, traditions that only we in the maritimes really appreciate, and we do object quite seriously to this discrimination against our army units. Personally I feel that the rail lines would not have been removed nor the army units changed if they were in the central areas which have more powerful lobby groups to speak for them. Little Albert county is out of the way. Changes can be made there without too much objection.

In so far as the army units are concerned, we do not have the powerful officers' messes of the Queen's Own or the Black Watch that could lobby with influential men. We feel that our regiments mean just as much as these other units, and we object very strongly to these two changes merely because of the effect politically. However, I must say in all fairness, Mr. Speaker, that it is significant to know that the loss of markets which has been affecting us for the last two or three years is now touching the whole dominion. I feel certain that when everybody becomes aroused over the matter it will help us. I feel certain also that we will not be turned down in our pleas for assistance in connection with hydroelectric power, particularly in the light of the news that India is to get some help.

There is a new interest in the maritimes, perhaps for the first time in recent years, with our discoveries. A new spirit seems to be developing. We feel now that by standing in unity we may be able to make use of the lessons we have learned in the past. It is gratifying to note the success of the Atlantic economic council that is meeting regularly now each year. This was the dream of the late Premier Angus L. Macdonald, and I am sure his spirit will always be alive while that council is meeting.

I had occasion this past summer to make some general remarks on maritime union, and I must say for the record that I have never said anything rightly or wrongly that caused as much interest as this subject. I did not receive a word from anyone who was opposed to it; in fact everyone who spoke offered comments of a complimentary nature.

It may be far removed, but surely any steps we can take in this respect will benefit all of us.

I was also very much pleased the other day to hear the hon. member from Halifax (Mr. Balcom) speak about the need for regional assistance in a financial way in the maritime provinces. I believe his observations were to the effect that the maritimes have a continuing problem, and that a regional agency should be set up along the lines of the industrial development bank. In any event, it is just another way of saying that we do need collective help down there, and I compliment him upon his remarks in this respect.

We have had very clear indications of the government's interest in our fishing problem, and it is encouraging to know that our fisheries—perhaps one of Canada's most undeveloped industries—are being given some help, and that research is continuing in this respect.

These last few words perhaps paint a little brighter picture than those with which I began, when I mentioned those things I thought it necessary to point out. But I do feel that perhaps the government has finally begun to take note of our traditions. We have finally got our backs up and we are going to do a little fighting for some of our new discoveries. I believe that when we see on a wall or in print the motto of Canada, which was offered by a father of confederation from New Brunswick, we will not have to blush any more, because perhaps Canada will really be a nation from sea to sea.

Mr. A. R. Lusby (Cumberland): Mr. Speaker, in rising to take part in this debate I should like first to add my congratulations to those which have already been extended to the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne, upon the exceedingly able manner in which they discharged their duties. It is reassuring to the membership of the house when these more recent additions bring with them the capacity for clear thinking and lucid expression, indicating a full sense of their responsibility as members of this Canadian parliament. I add my congratulations most heartily to those which have already been given to them.

Then, with regard to the speech from the throne itself, as we always do, we have heard hon. members expressing a wide diversity of opinion concerning the value of the government's program which has been set out in that speech. Let me say that in my opinion the speech from the throne is a source of justifiable satisfaction to supporters of the government. When one reads it and hears it, and when one sees the measures there promulgated, he realizes that it reveals and outlines a program for the session now beginning which is well timed and, while perhaps not spectacular, represents a steady advance for improvements which lead always to the greater welfare of the Canadian people.

Nothing has emanated from the opposition benches to cause me to doubt the correctness of the opinion I have just expressed. We have heard of course the cry, which is so easily uttered by those who do not have to shoulder any responsibility, for lighter taxes and heavier expenditures. We have heard broached again—or at least hinted—the ancient and, I believe, the now thoroughly exploded doctrine that high and higher tariff walls are the panacea for all our ills.

Then, from more than one source we have heard what seems to me in effect to be a complaint that it is not good that the Liberal party should have at its head a man of such high character and outstanding ability as our Prime Minister (Mr. St. Laurent), and that we Liberals should not take such great pride in that fact. That position, of course, is understandable from the opposition's point of view.

Then we have listened to a very considerable amount of what I have no doubt would be deemed suitable stump material in certain quarters of the country, such as the prophecy commented upon so much in the latter part of the debate as to the possible coming victory of the communists in Quebec and the socialists everywhere else. All I have to say concerning that prophecy is that it is a very well balanced one, because I think one-half of it is just as likely to be fulfilled as the other.

We have heard presented the hoary and inevitable argument that no matter what beneficial measures the government may see fit to introduce, it should have gone farther and provided a little more. But, of sound and constructive criticism—and, after all, that is or should be the chief aim of opposition parties—it seems to me that there has been a distinct paucity. And I think this very lack is in itself a not inconsiderable tribute to the strength of the government's policies.

No thinking man will suggest, of course, that everything is exactly as we should like to see it. In Canada, as everywhere else in the world, inevitably there are certain problems, some of which are national and some regional, some of which are minor and others more important, which inevitably must be faced and, if possible, overcome.

Speaking as one from the maritime provinces let me say that in that section of the

country we always have a full share of regional problems. The hon. member for Saint John-Albert (Mr. Bell), who is also from the maritime provinces, has just concluded a speech in which quite properly he laid a great deal of emphasis upon the regional problems of the maritimes. I should like to say something along similar lines, although of course my approach will be different from his, and will seek to emphasize more the problems of my own constituency. For at the mention of regional problems we think of those with which the maritime provinces have to contend. And one thing that stands out is this, that as each year rolls around we see and the world sees unmistakably that Canada as a nation is advancing into a glorious future. Not all the talk from the opposition benches can seriously impugn the truth of that statement. But it is also unfortunately true that not all parts of the country are advancing at the same pace. We in the maritime provinces are advancing, yes, but not at the same pace as is enjoyed by others parts of the country. In the maritimes we lack a central geographical position; we lack vast hinterlands and, to a considerable degree, untouched natural resources. And when I say that, of course I have in mind the fact that great discoveries of mineral resources have been made in New Brunswick and to some extent in Nova Scotia.

Nevertheless we do lack to a very considerable degree untouched natural resources. We have a lack of easy access to profitable markets. These are conditions of geography, conditions due to our situation. Nevertheless they militate against us.

I think it is correct to say that every province of Canada, with the exception of the maritimes, enjoys some, and certain of them enjoy all, of the advantages which I have said we lack. Therefore, as equal partners in the great scheme of confederation, of which two of the maritime provinces are charter members, we are legitimately entitled to claim special consideration from the federal government with respect to the problems which we have to face, to the end that in the advancement of this country—I refer particularly to economic advancement, for in other respects socially, culturally and intellectually, we can hold our own without difficulty—to the end, I repeat, that in the economic advancement of this country we in the maritimes shall have our place, if not in the vanguard at least within hailing distance of the more fortunate provinces.

I do not mean by that and I do not suggest that in a country of this size there can be absolute equality in this respect in all regions. For example, I do not suggest that Nova Scotia can foreseeably hope to match in this particular, let us say, the province of Alberta where, if I might use a figure of speech, we might say that the good ship prosperity rides snugly, perhaps even smugly, in a sea of oil. I suppose some hon. gentlemen might suggest that I carry that figure of speech a little further and put Social Credit in the role of a stowaway.

But I do say that much can be done and every possible step should be taken to alleviate existing economic inequalities. This government can perform no greater service in the interests of Canada as a whole, not merely in the interests of the maritimes, than to bend its energies and turn its resources toward the accomplishment of that end. A few days ago during the course of this debate one of the hon. members for Halifax suggested the possibility of close liaison between some federal agency and the newly formed economic council of the Atlantic provinces, and also suggested the desirability of encouraging new industry in the maritimes by the greater use of the facilities of the industrial development bank. The hon. member for Saint John-Albert (Mr. Bell) mentioned that just a few moments ago. I heartily endorse the remarks of the hon. member for Halifax in that respect. I should like to add my compliments to those which have been tendered the hon. member by the hon. member for Saint John-Albert.

It seems to me, as the hon. member for Halifax indicated, that in the past the efforts made to improve the economic life of the maritimes have been of too sporadic and piecemeal a character, involving perhaps the appointment of a temporary commission to consider some problem when it has become acute, but never a continuous program of research and investigation which would permanently carry on and cover all phases of the maritime economy. I should like to see the creation or appointment of some permanent federal body charged with such duties, acting of course in the closest co-operation with all organizations in the maritimes having the same purposes in view, including the newly formed economic council of the Atlantic provinces.

In a developing and changing country such as this, with its vast distances and great diversity of interests, it is not surprising that steps may need to be taken from time to time to ensure that adequate attention shall be given to the needs of a particular area. Perhaps I may cite as an example—I do not think it is too good a one—the fact that last year it was found desirable to effect a change

in the name of the former department of resources and development which has now become the Department of Northern Affairs and National Resources, marking the reorientation of the work of that department with increasing emphasis upon the administration of the northern territories.

Although this analogy is not by any means a perfect one, I use it to stress the desirability, I think I might say the necessity, of providing some effective mechanism whereby the economic problems of the maritimes can be kept in a constant focus of attention by this government and means for their solution devised, not sporadically but as a part of a comprehensive program to raise the whole economy of these provinces to a level more nearly commensurate with that enjoyed elsewhere in Canada. One of the primary points of such a program would most certainly be the promotion of greater industrial activity in the maritimes where factors which I have already mentioned militate heavily against us in that respect.

In this connection let me revert to the speech from the throne and say that, of the beneficial measures thereby adumbrated, the proposed increase in unemployment benefits, already partly put into effect, has perhaps aroused the most general public interest and approval. Certainly this is true of industrial centres such as my own town of Amherst. This measure to my mind marks a further expansion of that sweeping program of social security instituted by the Liberal party and still proceeding as the continuing development and increasing wealth of the country permit. Yet, and here at last I find some common ground with opposition speakers, unemployment insurance, beneficial though it has proved, is certainly no complete answer to any problem of unemployment which may arise. Obviously the only real and complete answer is a continued high level of industrial activity.

I am very far from agreeing with the belief, or apparent belief, of some of the opposition members that the federal government, single-handed, or any other government for that matter, by a sort of waving of the wand of its magical powers, so to speak, can permanently end unemployment. But I do suggest as one ameliorating policy, which at least to some extent lies within its powers, that the federal government, rather than promoting the further undue concentration of secondary industries in those parts of the country which are already highly industrialized, should turn its efforts toward increasing the level of industrial activity in the maritimes.

This of course is not by any means a new proposition. It has frequently been broached that this wider distribution of industry is desirable. I think it is usually approached from the point of view that in the event of war it would be a good thing in the interests of national safety and defence. But I think, taken in the perspective of years, it would also prove a strong weapon in preventing or combating unemployment.

In this free land the government cannot say to one industrialist "Build there" and to another "Build here." I never have a great deal of sympathy for those who say that the government should build an industry in that town or this town. Under our present system that is not the right approach to the problem. But we must remember that in these days the federal government exerts a very weighty and potent influence upon the industrial life of our country. It is a mighty buyer, a mighty awarder of contracts. I urge that some suitable scheme of regional allocation of these contracts should be devised which would promote the further industrialization of the maritime provinces. I say further that it is in the national interest that this should be done.

Turning again to the speech from the throne, I, like other hon. members, am deeply interested in the proposal for an expanded program of public works. As I have mentioned before in this house, I consider the most desirable type of public works, those most to be encouraged, to be not those which only furnish employment during the stage of construction, or which may be a mere matter of pride or convenience to residents of a community or district, but those which may reasonably be expected to provide a permanent stimulus to the whole regional economy.

Such are the Canso causeway and the Yarmouth-Bar Harbor ferry, and such will be the Chignecto canal project when that long overdue project is finally undertaken. Surely in the light of present developments, in the light of the St. Lawrence seaway, the iron ore development in Labrador, maritime security in time of war and the expressed intention of the government to embark upon an expanded program of public works, no time could be more opportune for instituting a new, thorough and conclusive investigation into the feasibility and economic possibilities of this canal. At this date it is not germane to say that a commission which conducted a survey in 1931 decided against the commercial value of the canal. Conditions now are in no way similar to those of 25 years ago. I think the whole subject should be approached anew. A commission

should be appointed and a thorough investigation made, taking into account representations from all interested areas. A final decision should then be taken as to whether the Chignecto canal is to be built.

We in the maritimes firmly believe the decision would be a favourable one, but I think I may say that if, after a thorough investigation of the matter, it was decided that the canal could not be commercially justified, then the people of the maritimes would be content to accept that decision. But they are not content to allow this matter to stand year after year without any further reinvestigation into the merits of the canal.

Another badly needed project which I should like to bring to the attention of the government is the establishment of a ferry service across Minas channel between Parrsboro in my constituency and the opposite shore in Kings county. I should say the re-establishment of a ferry service; for prior to its discontinuance during the last war such a service had, I am told, been in existence in one form or another for over a century, although I suppose it was originally a sailing ship proposition.

However, it is a rather stark commentary that in this year of progress, after such a long period, no such ferry operates. The provision of adequate deep water docking facilities near Parrsboro and cape Blomidon on the far shore would enable a ferry service to be maintained over a few miles of water and independently of the tides. Such facilities would eliminate an overland journey of some 150 miles. Such a ferry would, as a glance at the map of Nova Scotia and the maritimes will demonstrate, greatly expedite traffic between western Nova Scotia on the one hand and Cumberland county, Prince Edward Island, and the north shore of New Brunswick on the other. It would certainly provide a substantial impetus to the Nova Scotia tourist trade, and I believe in many ways it would be complementary to the Yarmouth-Bar Harbor ferry service which is shortly to go into effect.

It seems to me, Mr. Speaker, that in this modern age any worth-while improvement in transportation facilities such as I have suggested should merit the careful consideration of the federal government. Indeed, the federal government has an interest in transportation in many ways, not least of which is its interest and support of the building of the trans-Canada highway. Therefore, without reservation, I would urge this government to carry out a new and comprehensive investigation of the Chignecto canal project, and ask them to provide full co-operation and assistance in the establishment of the Minas channel ferry service which I have mentioned.

Another public works project of a different character which I also strongly commend to the attention of this government is the erection of a new armoury in the town of Springhill which is in my constituency. For years the existing armoury in that sturdy mining community of some 8,000 people, an ancient wooden structure, not erected by the government in the first place, has been inadequate for its purposes. Now it has been officially condemned as unfit for use. No renovation or reconstruction will prove a satisfactory substitute for a new and modern building.

In this connection let me add that if a community's record of patriotism and military service is to be taken into account in such a case, the town of Springhill is entitled to very high priority indeed. In both great wars the percentage of enlistments from the town was among the highest in Canada, and in the two wars 140 Springhill men fell in the armed service of their country. I would add that enlistment figures were very high in spite of the fact that a great many miners were held at their work in the mines under wartime regulations.

In peacetime reserve army activities are maintained at a high level in the town, with approximately 100 men on the strength of the local company and training each week. Future interest in matters military is ensured by an efficient and enthusiastic cadet corps which has held the best standing in military district No. 6 on various occasions, and in 1950 and 1952 won the King George trophy for marksmanship—emblematic of the Canadian championship. We need not doubt that if the need again arises the rugged miners of Springhill will pour to war as valiantly as in the past.

These are things to be taken into account when consideration is being given to our request for the construction of a new armoury. The present lack of a suitable armoury is a serious handicap to military training and a damper on enthusiasm. We should also bear in mind the importance of a suitable armoury as a meeting place in the social, sporting, and public life of the community.

In this respect I would like to say a few words about the reorganization of militia units in the maritimes. Reorganization took place in Nova Scotia and it was with deep regret that we learned that the honourable name of the North Nova Scotia Highlanders could not be maintained, and that a military unit could not be known as such. The North Nova Scotia Highlanders had a very high

and honourable tradition in the last war, and much as we regret that the need for efficiency and economy has meant the disbanding of the unit, I do not believe it will affect the interest and enthusiasm for military training in that area. That being the case, I say that Springhill is fully deserving of a new armoury and I urge the government to provide one as soon as possible.

While on the subject of public works I should like to recommend a comprehensive survey of the docking, dredging, and other harbour and channel requirements of the various ports along the two coast lines of my constituency, Wallace, Pugwash, Northport, Advocate, Spencer's Island, Port Greville, Parrsboro, and the rest. Fishing and shipping are still important constituents in the economy of Cumberland county and deserve every reasonable encouragement.

Finally, Mr. Speaker, the mention of Springhill, a coal mining town, calls to mind a topic on which I wish to say a few words, for it constitutes what is perhaps the most serious problem in the Nova Scotia economic picture today, that of the coal mining industry.

A great deal has been said in the past in this house about the state of the coal mining industry, but I make no apology for mentioning the subject again. As we enter another year the future of the industry remains generally sombre and cloudy, particularly for the small independent producer. According to the latest report of the dominion coal board, the forecast is very much the same as before, namely that in spite of increasing competition from oil and natural gas, the increase of population and expansion of industry in Canada will provide, or is expected to provide, sufficient markets by the middle sixties to enable the industry to survive, at least at its present level. This forecast, of course, does not take into account the present incalculable factor of atomic power. However, from that forecast I think we may reasonably hope that the industry is not necessarily doomed to extinction for lack of markets. But the next decade will be a critical one. It will require a continued flow of governmental assistance and co-operation to enable the industry to stagger through to better days. Not only in the interest of the coal-producing provinces but in the national interest as well, it is imperative that this assistance and co-operation be continued and, if necessary, expanded. We have only to remember that coal is still the chief source of energy in Canada, that it is still an essential in time of war and that the mines, if they are once closed, will in all probability never reopen.

I am confident that this government will continue to play a full and generous part in the struggle to save the industry, as it has done in the past. What form of assistance may prove most effective is not an easy question to answer, even for experts. It may prove to lie in the realm of the development of new and commercially practicable uses for coal other than as fuel. That has always been a favourite thesis of my own. It may be found elsewhere. The ultimate answer will probably be a composite of many factors. I hope at a later stage of this session to be able to discuss the matter of the coal industry in much greater detail even as I hope to be able to present the needs of the farmers and of other important economic groups in my constituency. But for the present I merely wish to urge upon this house the emergent nature of the situation confronting the coal mining industry and the necessity of finding a satisfactory solution.

In closing, Mr. Speaker, I just wish to revert to an earlier stage of my address and to use that example to emphasize again the need for a special degree of attention by this government to the economic problems of the maritimes.

Mr. J. W. Noseworthy (York South): Mr. Speaker, I want to congratulate the hon. member for Cumberland (Mr. Lusby), who has just taken his seat, on the excellent balance which he maintained in his speech. He spent about two minutes in chastising the opposition groups for their failure to recognize the fact that we have the best of all possible governments today and about thirty minutes telling us of the injustices from which his part of the country is suffering under that same government.

Unlike many Liberals who have spoken, Mr. Speaker, I find nothing in the throne speech on which I can congratulate the government. One hon. member—I think it was the hon. member for Vancouver South (Mr. Philpott)—stated that he was doubly thrilled by this speech. Personally I find myself chilled rather than thrilled—

An hon. Member: It is the weather.

Mr. Noseworthy: —by the nonchalant manner in which the grave and serious social and economic problems of this country are completely ignored in the speech from the throne which is now before us. For instance, there is evidence that for the next five or six months we shall be amending and consolidating existing legislation. In the speech from the throne there is nothing to indicate that we are to be presented with any new legislation designed to cope with the problems that face us today. For instance, there is to

be no new legislation providing national health insurance, the need for which is growing and for which there is increasing national support. Of course, Mr. Speaker, we are probably expecting too much from this government if we expect them to introduce any such measure as that at a time when we are two or three years from a federal election.

There is to be no improvement in old age pensions, no improvement in family allowances, nor any new social security measures that will redistribute the wealth that we are producing and increase the diminishing purchasing power of the Canadian consumers. No new measures are forecast to check the diminishing net income of our rural population. At a time when bold, progressive measures—measures such as those proposed by this government in their green book of 1945—are needed to meet an unemployment situation which is annually growing more serious, we have offered us nothing that can by any stretch of even Liberal imagination cope with the situation.

It is true that at long last the government has yielded to the repeated requests of veterans organizations and to the annual bombardment from the opposition benches. After nation-wide protest the government has agreed to increase veterans allowances. To the veterans of the country they are offering a few crumbs from a rich uncle's table. There is to be no new housing legislation of such a nature as will make the securing of homes possible for tens of thousands of people who really need homes and who cannot afford to buy them under our present housing legislation, or to rent them. There are no new measures whereby these people may be able to secure houses, unless perchance the hon. member for Spadina (Mr. Croll) may be close enough to the government to know what the government's intentions are but which intentions are not expressed in the speech from the throne. If, as I hope, the speech which he made in the house the other day—and which I may say re-echoed requests made by this group a year ago that purchasers' equity in homes should be safeguarded just as is safeguarded the interest of the lending institutions—indicates that there is a prospect of the government's introducing such legislation this year but which they did not forecast in the throne speech, then we say that we are extremely happy. We certainly are delighted to have that speech from the hon. member for Spadina, a member so closely associated with the cabinet that his name on numerous occasions has been mentioned in connection with the post of cabinet minister and other positions within the gift of the government; and I want to add my voice in support of that suggestion. I think the Liberal party is missing a grand opportunity, in so far as Toronto is concerned, in having failed to provide some such position for the hon. member for Spadina. Personally, I should like to see him elevated to the Senate. We might then make more progress in Spadina. However, Mr. Speaker, we hope that some such legislation on housing will be introduced.

There are facing the country today many other problems for which no provision is made in the speech from the throne. For instance, we find no provision made for the employable unemployed other than the possible extension of unemployment insurance benefits. Notwithstanding the fact again that in 1945 the government placed itself on record and outlined its policy as being one of providing unemployment assistance for those who failed to benefit from the Unemployment Insurance Act, there is no evidence that we are to have any application of that policy in this session. We are told in the speech from the throne that our national economy is in a generally healthy condition and although there are half a million or more Canadians looking for jobs that are unavailable the matter is dismissed in the speech from the throne in these words:

> Some unemployment of a regional and seasonal nature is being experienced.

Just how healthy is our national economy, and what are some of the danger signals that can be observed today and which we should be observing if we want to keep that economy in a healthy condition? In the first place, Mr. Speaker, it is quite evident that our national production is declining while at the same time our labour force is increasing and our technological processes are being improved to the extent that it is becoming possible to produce more goods with fewer workers every year.

Probably one of the best indicators of the level of our production is provided by the dominion bureau of statistics report on railway carloadings for the first ten months of 1954. These months are compared with the first ten months of 1953, and we find that there is considerable indication that the volume of production in at least 15 major products dropped. These major products include fertilizers, petroleum and petroleum products, pulpwood, lumber, grain products, building products, livestock, logs and posts, merchandise, automobiles, trucks and parts, primary iron and steel, iron ore, farm machinery, machinery and castings, and grain. In all of these there has been a considerable reduction in carload loadings in the first ten months of 1954 compared with

the same months in 1953. The percentage decreases range as follows: For automobiles a drop of 18 per cent, for primary iron and steel a drop of 21 per cent, for iron ore a drop of 23 per cent, for farm machinery 24 per cent, for machinery and castings 25 per cent, and for grain 34 per cent.

The dominion bureau of statistics report on employment in certain basic industries tells much the same story. It tells the story that with unemployment growing in these basic industries to such an extent there must of necessity be a drop in production. The dominion bureau of statistics figures in their report on employment by industries indicate that in the nine month period from January to September, 1954, unemployment increased in all our major goods producing industries. It increased by 11 per cent in clothing and 11 per cent in the railroad equipment industry. In the latter industry unemployment in September, 1954, was 20 per cent higher than in September, 1953.

There is an 11 per cent increase in unemployment in the automobile and parts industry, an increase of 17 per cent in textiles, 17 per cent in primary iron and steel, and 20 per cent in farm machinery. In the case of farm machinery the decline in employment over the comparable period in 1952 was 34 per cent. In the consumer durable goods industries we have, for example, in the first six months of 1954 a decline of 6 per cent in the production of refrigerators and 20 per cent in the production of washing machines. There was a drop of 16 per cent in employment in aircraft plants below the peak of employment in the spring of 1953, and a drop of 14 per cent in employment in shipbuilding between April and September, 1954.

When figures are available for the last three months of 1954 there is no doubt in the world but that they will show that there has been a greater increase in unemployment and a greater drop in production over the entire year than that shown by the figures for the first nine months of the year. The figures pertaining to railway carloadings and unemployment indicate a considerable decline in production in all our major goods industries, particularly in industrial machinery, farm machinery, railroad equipment, aircraft, shipbuilding and consumer durable goods.

A second danger signal that I think we should watch, and which should lead us to the conclusion that our economy is not in that healthy condition that the government would have us believe it is, is the drop in net farm income. As has already been pointed out in the house, 1954 was the third successive year in which net farm income dropped substantially. While official figures are not yet available, it has been unofficially estimated that net farm income for 1954 will show a drop of $400 million. This would mean that between 1951 and 1954, a period of only three years, net farm income has dropped from $2,150 million to $1,200 million, a drop of 44 per cent.

I think we should all realize, Mr. Speaker, that a drop in farm income has of course been the main reason for the depression in farm machinery plants, for the decline in the demand for trucks, for the dropping off of railway traffic and consequently the large unemployment in the railway equipment industry, building materials, fertilizers, fuels, etc. The relationship with respect to the drop in farm income is reflected in the drop in retail sales in the three prairie provinces which are most affected by that drop in farm income. Retail sales in Manitoba, Alberta, and Saskatchewan, in the first nine months of 1954, dropped by 3 per cent, 7 per cent and 12 per cent respectively. I believe that drop in retail sales indicates the extent to which those provinces were hit by the drop in farm income.

A third danger signal to which we should be paying some attention is our export position. Our export position was anything but good in 1954. Sales abroad of Canadian wheat and coarse grains from January through October were down 40 per cent from the same period in 1953. Total merchandise exports in the first ten months of the year dropped off 8 per cent in value as compared with the same period in 1953.

There are also some danger signals, Mr. Speaker, indicating that a decrease in production and employment may continue, in fact is most likely to continue in 1955. We all realize that in a country such as Canada where our labour force is increasing at the rate of something over 60,000 annually, and where technological improvements are being introduced continuously, it is not good enough that our production, and consequently our national income, should remain even at the peaks which they attained in earlier years. It is essential, if we are to keep Canada prosperous, that our national income continue to increase.

Some people find considerable solace in the fact that in the recession year of 1954 wages and salaries were maintained at a comparatively high level. As a matter of fact, wages and salaries improved by 1·8 per cent in that year. But the two dynamic factors to which I have referred, that of an increasing labour

force and improved technological processes, render it necessary that wages and salary must keep pace with these other two factors. These two factors render the creation of new jobs a necessity in a healthy economy. What is the condition today? From 1952 to 1954, Canada's labour force increased by 122,000. The rate of increase in new jobs tapered off during those years. In 1952 there were 34,300 new jobs created in industry. In 1953 that dropped to 23,000, and it is estimated that in 1954 there will be a further drop to 16,200 or less than half the number of new jobs that were created in 1952.

Some propaganda reports, government and business propaganda, find considerable satisfaction in that, notwithstanding the increased unemployment, there was a slight increase in wages and salaries paid in the year 1954. As I have pointed out already, the increase of output per man hour brought about by our improved technological processes, and possibly better management and better labour-management relations, has rendered it necessary and, as a matter of fact, has made it possible for labour to receive an increasingly larger amount in wages and salaries. The most significant fact is that the rate of increase in average hourly wages dropped off substantially in 1954 as compared with earlier years, as a matter of fact as compared with any year since 1946.

Another danger signal that should demand our attention is the fact that the estimates for capital investment and outlays for repairs during the coming year 1955 remain at about the same level as they were in 1954, or about $7,085 million. If these estimates hold true, 1955 will be the first post-war year in which capital investment has not shown an increase. Capital expenditures in 1954 were 3 per cent higher than those of the previous year, 1953. Personal expenditure in consumer goods and services is estimated by the dominion bureau of statistics to be approximately $15·5 billion. No increase in consumer expenditure is expected for 1955.

If consumer expenditure per capita over the recession year 1954 is to be increased or even maintained, and if there is to be no increase in capital investment by private enterprise, then it becomes evident that if we are to continue to increase our national income, as is necessary, and if we are to provide employment, as is necessary, then the policy which the government laid down for itself in the green book of 1945 must be followed. Government expenditures, either on social welfare work or on capital expenditure projects or both, must be stepped up. We ask the question, where and how can government expenditures be increased? We all realize, of course, that first of all there are the expenditures for the civil service that must of necessity be limited and that must be determined by the standards of efficiency which the government sets for itself and for its employees. Government expenditures may be briefly summed up as follows: first, all current expenditures for goods and services in connection with government services and operations; second, transfer payments, that is social welfare expenditures; third, capital expenditures for roads, buildings, armaments, etc. As I pointed out, the first is of necessity limited. The second can be expanded; and it can be expanded in the best interests of our national economy and of the welfare of the Canadian people if the government decides to do so. And certainly there is ample opportunity for an increase in the third class of government expenditures.

[Mr. Noseworthy.]

These transfer payments in the form of family allowances, and the like, influence the rise of employment, as they are converted into consumption expenditures. Increased government expenditures on capital projects raise the levels of new investment. The result: Since national income comprises these two forms of expenditures, the national income is automatically raised by an increase in those expenditures.

Certainly there is nothing in the speech from the throne to indicate that the government has any intention at this session of introducing measures of a nature such as were outlined in their own green book of 1945, and which were then designed to meet just such a situation as faces the country at the present time.

For example, as to the responsibility for the unemployed employables, let me read a few lines from the green book:

> As a part of the general arrangement with the provincial governments, the dominion government now proposes to establish a practicable and comprehensive system of assistance to able-bodied unemployed persons as soon as possible, rather than waiting until the need for it actually arises.

I submit the need has actually arisen today. The government has not made provisions in advance of that need, and the time has now come when it should implement that policy because the need is now with us. Here is another statement:

> It is thought necessary not to permit the recurrence of the problems of administration being separated from financial responsibility, and to avoid the makeshift arrangements and controversy with provincial governments which otherwise would be almost certain to recur under the old methods of providing relief even though the number of persons involved were small.

The number of persons involved today s no longer small. They are many, and are

increasing. And municipal councils, mayors and reeves from all over the country have been pleading with the federal government to assume responsibility in some measure for these employable unemployed.

Then, one further quotation from this plan of 1945:

> The plan proposes acceptance of dominion responsibility for unemployed employables, and provincial and local responsibility for unemployables . . .

And a further quotation:

> Payments for unemployment assistance would be made under authority of an appropriation for this purpose, out of the consolidated revenue fund, and not out of the unemployment insurance fund.

Those were the policies the government presented to us in 1945, policies then designed to cope with a situation such as that facing the country today, a policy upon which the present cabinet has turned its back, and which it has repudiated. I submit this is the session of parliament when the government should review the promises it made to the country in that green book of 1945 and, in the light of present economic conditions, it should bring those policies into effect at this session.

Mr. Fernand Viau (St. Boniface): Mr. Speaker, before coming to the substance of my remarks, as one who was congratulated about eight years ago on having moved the address in reply to the speech from the throne I wish to join with my colleagues in congratulating the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address. Listening to their speeches at the opening of the session one was led to realize that the constituents in those two ridings had elected two very distinguished members. In the light of the qualifications stated by the Prime Minister (Mr. St. Laurent) as to their public service before entering the House of Commons, and keeping in mind the substance of their speeches, we may rest assured that the electors of those two ridings will see that these two members are re-elected at later dates.

On this occasion I do not intend to discuss what might be called the highlights of the speech from the throne. I congratulate the government upon having mentioned and bringing in at this session certain remedial measures for the development of the economy of this country, and also for having introduced a measure dealing with employment which will be beneficial to the labouring class in Canada.

This afternoon I asked the Minister of Public Works (Mr. Winters) certain questions in connection with the construction of a public building in Winnipeg. I regret there has been so much delay in starting work on this building, and that there is still delay in creating work for labour in the greater Winnipeg area.

If reports are correct, then I must express my disappointment that not only was the contract given to an eastern firm, but that the goods and supplies are to come from eastern Canada. Surely in the greater Winnipeg area of Manitoba we have responsible contracting firms whose bids or tenders could have been accepted. As yet no decision has been taken with respect to subcontracts covering the bulk of the material to be used in the building, and I hope the contracting firm will see fit to invite tenders from responsible manufacturing firms in Manitoba. We have some very able firms manufacturing not only cement and steel but also electrical devices which will be required in the building.

This afternoon it is my intention to address the house publicly as to what I consider abuse by certain government officials at the level of deputy minister, or its equal, in flouting certain laws of parliament, disregarding members of parliament, and treating parliament with contempt. For the last ten years, mostly during sessions of parliament or, at times, between sessions, either by correspondence or by visits to this capital city requesting certain consideration, as a member of parliament I have felt injured by the treatment received from certain officials at the level of deputy minister, or its equal.

The reason I am determined to make this public this afternoon is that one of these criminal injustices occurred last fall in the province of Manitoba, and I warned the deputy minister concerned that I would make it public. I am going to ask for remedial measures to be taken to correct this situation. Naturally in the 40 minutes allotted to me I will not be able to bring before this house all the injustices that have been perpetrated upon valiant, hard-working civil servants throughout this country. I shall limit my remarks, as I said a while ago, to one injustice which occurred in my own province of Manitoba.

I contend that this situation is the result of not having a fully functioning civil service commission as laid down in the Civil Service Act which was passed years ago by this parliament. The act states that there shall be three commissioners who will hold no other office in the civil service or engage in any other employment. We have the chairman on duty as well as one other commissioner, but during the past four years the third commissioner, who represents French-speaking Canada, has spent more of his time in foreign lands than in the capital city where

he should be in order to carry out his duties according to the act passed by this parliament.

When the Civil Service Act was passed and this commission created, the number of civil servants was not as large as it is now. The number of civil servants has reached the point where three commissioners cannot have full knowledge of the details concerning the thousands and thousands of civil servants employed by this country. So, according to the act, responsibility has been transferred to the deputy heads of the departments. The result has been the creation of this vicious circle which now exists within the civil service of this nation. It is because of this that we had this injustice which was perpetrated in Manitoba last fall.

The deputy heads connive together when they do not want a certain individual, who may be ready to retire in eight or nine months, to be succeeded by his assistant. Then they make application according to the act. This may be legal, but it satisfies that lust for power which exists in the ordinary human being, and the net result is that the title and qualifications of the position are changed along with a change in the salary. But when the assistant is in a position to assume the office, what happens? He finds that he must take part in a competition because the position has been changed and his qualifications do not entitle him to succeed as the head of that branch within the department.

This is not a far-fetched statement; this condition has existed. If my voice could be heard—and no doubt what I say will be noted by the press in a few days—if the crying injustices done to many civil servants could be recorded and presented to a committee of this house, I am satisfied that following the action of that committee application could be made to the governor in council to remove these deputy heads who have abused their office and imposed injustice upon faithful civil servants throughout the country.

A few years ago a vacancy occurred in Manitoba in the Post Office Department. The vacancy was advertised in the usual manner by the civil service commission, by means of a poster issued in its name by the Post Office Department. The successful candidate was not one who pleased the unelected depository of power in the Post Office Department in the capital city. What happened? A board of appeal was set up, consisting of three members. Two members of the civil service commission refused to accept the application of the protégé of this unelected depository of power in the Post Office Department, and the third member submitted a minority report.

When this news reached the capital city a new board of appeal was created, and the third member of the previous board who had submitted a minority report and who represented the Post Office Department was made the chairman. With what result? The result was that the protégé was immediately selected to fill the position of inspector for the Post Office Department, over and above the heads of more qualified civil servants in the Post Office Department in the province of Manitoba.

This situation has existed for quite a while. Last fall I was duly informed that one of the post office inspectors in Manitoba, the only French-speaking inspector in the province, was to retire on March 1, 1955. He was ill last year, and it was said that because of his illness he was requested to tender his resignation as of December 1, 1954. Naturally I was quite concerned over whether the principle of bilingualism was going to be maintained in the province of Manitoba. I came down to the capital city, and I was given the assurance by this unelected depository of power in the Post Office Department not only that the principle of bilingualism would be maintained, but that a competition would be held to select a qualified candidate to replace the retiring post office inspector.

I returned to Winnipeg, or rather I should say to St. Boniface, and was there only a few days when I was informed by a responsible official that I should pay no attention to the assurances given to me by the officials of the Post Office Department in Winnipeg because on December 1 Mr. So-and-So would be appointed as inspector or, as they now call it, area superintendent. I flew at my own expense to the capital city and appealed to the Postmaster General (Mr. Cote). I inquired if the information I had received was quite correct. His answer was "Yes. Why?"

It was not that he had discovered himself that it was not possible to hold a competition or to name a bilingual candidate in the province of Manitoba, but that he had been informed by the deputy postmaster general, part of this unelected depository of power, that a regulation of the civil service commission had been discovered which stipulated that when there was not 20 per cent French-speaking or English-speaking there was no need of bilingualism in any area in this nation of ours.

The figures were submitted by the deputy postmaster general who had them all prepared, apparently after a long study. They

could only have been obtained through researches by the bureau of statistics and the Post Office Department while the member for St. Boniface was here in the capital city seeking from responsible officials confirmation of the statement that there would be a competition and the principle of bilingualism would be maintained in Manitoba.

The figure given was 18·54 per cent. I know my own province, and I know we have a larger number than that within the area where this postal inspector was going to work. However, I am not going to dispute the fact that we are short 1 per cent. They insisted on this 1 per cent in the Post Office Department, not because they wanted to respect the Civil Service Act, not because the regulation established by the civil service commission said not less than 20 per cent, but because of a lust for power. They wanted this principle established two years ago, and they railroaded it through in the province of Manitoba despite the civil service commission. The post office department of Manitoba will remain with only 1 per cent of French-speaking employees at the level of administration.

I naturally brought this to the attention of the Postmaster General, and I was told I did not understand the regulations of the act. I was reminded of the words of the deputy postmaster general, that as long as he held office he would never appoint anyone who was mediocre, regardless of the large number of French-speaking Canadians living in the province of Manitoba. I suppose the Postmaster General meant that he would only employ those who had a super education, but for him to call French-speaking Canadians mediocre is not only an insult to them and to myself as a member of parliament, but is treating this house with contempt, for such an attitude is directly contrary to the provisions of the Civil Service Act.

One realizes how absurd his attitude is when we recall that the government spent thousands of dollars to have a firm in Toronto investigate the operations of the Post Office Department, and found that the deputy postmaster general was himself inefficient in carrying out his responsibilities. Despite the findings of that investigation that gentleman still carries on, creating injustices such as the one I have mentioned which result in the morale of the employees of the department being kept at a very low ebb.

Not long ago I brought to his attention a tender which was submitted in Ottawa. If my memory serves me right the tender arrived at four o'clock on October 7, 1954, and it related to a contract for over $1 million in the province of Manitoba. As a matter of fact three tenders left Manitoba at 1.20 a.m. on October 7 and arrived in Ottawa at 9.25 a.m. Two were by special delivery and one was by registered mail, but it took seven and a half hours to deliver these three tenders practically just across the street in Ottawa. One of the special delivery letters arrived at defence production at 2.45 p.m., but the other two did not arrive until 4.11 p.m. It appears that Mr. Johnston could do nothing else but refuse the other two contracts because of the regulation. The net result of that transaction was a loss to the taxpayers of $36,000, because one of the delayed contracts carried the lowest tender. That money was lost to the taxpayers because of the inefficiency of the Post Office Department. So here we have an official of the government flouting laws passed by parliament, insulting a member of parliament, and being inefficient in the handling of his responsibilities.

In my own province of Manitoba an official has been appointed to a position in the post office to which he is not entitled. But before dealing with that I would remind the house that not so long ago the Post Office Department, without consulting members of parliament or provincial and civic officials, established what is called a zoning system in greater Winnipeg. That system will never work. It might work in cities such as Toronto, Montreal, or Winnipeg, but certainly not in the greater Winnipeg area. I opposed the introduction of this system, with the result that it is not now in effect in the constituency of St. Boniface. But as an example of just how ridiculous this can be, I have a letter here addressed to "The Postmaster, Winnipeg, 297 Des Meurons," and in brackets after that comes "St. Boniface, Winnipeg, Manitoba". We spend thousands of dollars to educate our children in geography and the civic structure of this country, and here we have officials of the government flouting our beautiful history by implementing a system which makes no sense whatsoever.

Following the Woods-Gordon report of last July, post office officials in Ottawa advertised a promotion competition for area superintendents. That is the new name given to postal inspectors. This competition was confined to the Winnipeg area. At that time a certain A. Vermander and Mr. Walker, both postal inspectors, retired, but no vacancy was created and the name of the post was changed to that of area superintendent. After Mr. Vermander was called upon to retire last fall

I was given an assurance by the deputy postmaster general that there would be a competition covering the appointment of a bilingual area superintendent in Manitoba. This assurance was given after I came here at my own expense and was ridiculed by the deputy postmaster general and two of his officials, the executive assistant and the director of administration. But on December 1, 1954, a sign in French and English was posted in every office in Manitoba with the following ultimatum to all civil servants employed by the Post Office Department. It is headed "Appeal Notice" and then comes the following:

The department has approved of the following transfer without advertising a formal competition subject to no appeals being sustained.

This is contrary to the Civil Service Act, which states that if there is a vacancy the deputy head of the department must advise the civil service commission, which will take the necessary measures to formally advertise a competition.

But who was the successful candidate? A short time ago I mentioned a certain protégé of the deputy assistant to the Postmaster General, and he in fact was the man who was railroaded into the position over the heads of fully qualified members of the civil service in the province of Manitoba. The man who was appointed area superintendent for Winnipeg without a formal competition was Mr. R. J. Emerson. This was done contrary to the act. It denied the French-speaking population of Manitoba the right of employment, and also denied the rights of highly qualified personnel employed in that area.

All I can do now, Mr. Speaker, is to ask the government of Canada to see that the civil service commission acts in accordance with the regulations of the Civil Service Act. The Postmaster General, his deputy or the civil service commission should be called upon to remove Mr. Emerson from office immediately and to advertise a competition for a bilingual area superintendent for Winnipeg. The competition should then be carried out in accordance with the act. We have the qualified personnel, and it is high time some of the ministers of this government inquired closely into the actions of some of their deputies, particularly when it comes to an appointment of the kind I have mentioned. Action should be taken when an injustice has been done and when a member of parliament brings that privately to the minister's attention, for it will then be possible to handle the matter without the necessity of a member of parliament having to make the matter public as I have now done.

[Mr. Viau.]

Mr. W. G. Blair (Lanark): Mr. Speaker, I first wish to add my word of congratulation to the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne. They are both young members. Not only did they speak well but their material was well prepared.

In so far as the speech from the throne is concerned, I was disappointed that mention was not made of matters which I consider to be of urgent importance. I was glad to see that some measure was to be introduced to deal with war veterans allowances. I feel that such a measure is overdue. I can never agree with the statement made by one hon. member to the effect that he did not believe men had aged prematurely ten years in the war. I think it is a well-established fact that the men of the first war particularly aged prematurely at least ten years in their period of service. There is no special yardstick by which the effect can be diagnosed, but many of these veterans with excellent service are in need of higher payments owing to the present cost of living and the cost of maintaining their homes.

This debate on the address is of value to this house because it gives members an opportunity to present to parliament conditions in their own ridings, and as well to call the attention of parliament to the position of the country as a whole. I cannot be accused in any way of talking blue ruin in this country because I do not believe this to be a fact, for the future of Canada is possibly brighter than that of any other country on the globe. Canada covers 3,695,000 square miles and has 13,000 miles of coast line on the great lakes and the seas. The territory of Canada is about the same size as that of Europe and larger than that of the United States. There are 300 million acres of arable land in Canada, and of that 300 million acres only about half are cultivated. The surface has only been scratched of our vast mineral resources. Industry has grown, and in 73 years the value of manufactured goods has made progress from a few million to more than $5 billion.

It is true that there are matters of urgent importance affecting this country. We find marked unemployment, falling markets and an unfortunate economic balance in agriculture where the price received by the farmers for their commodities is going down and the farmer finds himself faced with the present high cost of consumer goods which he finds it necessary to buy.

Much credit has been taken by this government in past years and even up to the present time with regard to the growth and

the prosperity of Canada. My faith in Canada is so great that, in spite of adverse conditions, I believe Canada will still grow and will still prosper. I am reminded of the statement made years ago by that delightful figure in the world of entertainment, Will Rogers. He was not only an entertainer but also a philosopher. Once, when discussing the political situation in the United States—that of Democrats versus Republicans—he made a statement that I think could be well taken to heart by those who argue blue ruin. He said, "This country is too big to be destroyed by any political party".

I wish to present to you today the position of the agriculturalists and more particularly that of the dairy farmers, not only in my own riding but in the whole of the dominion. I find that there is considerable misunderstanding with regard to the difficulties faced by this great industry, especially on the part of those who are not actively engaged in the industry itself. The county of Lanark has been recognized for years as an important centre in the dairy industry, and over the years it has been especially noted for its production of cheddar cheese manufactured both for export and for domestic consumption.

It should be appreciated that dairy farming is an occupation which requires many hours of hard work. It is not merely a matter of a six-day week. Even on Sundays cows must be milked and cared for, and milk must be prepared and cooled in order that it may reach market on Monday in good condition. Not only is there this consideration, but in order to build up a good dairy herd and secure high production, there must be constant care and supervision. Any dairy farmer can tell you that it is an expensive proposition for him during the years when he builds up a good dairy herd. There is also the cost of maintaining equipment such as silos and barns. Of late years the cost of labour has been so high that it is a factor which must be taken into account in the cost of production.

As an industry, dairying is one of the most important in Canada. It is not generally realized that 450,000 farmers depend upon the dairy industry as their source of income. Indirectly two million Canadians derive part or all of their income from this source. That includes those engaged in production, distribution, processing and supplying various services and equipment. It contributes more than $600 million to our national commerce. Food, of course, is the main product, and this includes butter, cheese, cream, bottled milk, powdered milk and many other types of food provided by dairy herds. I mention these facts in order to bring before this house and the public the importance of this industry.

Last November the bureau of statistics showed a drop in the cost of living index, and it was to be noted that the lower figure was accounted for by food prices. This figure would have been considerably lower were it not for the fact that the cost of other commodities showed a rise or remained at their former figures. In plain language, the drop in the cost of living was due to the farmer. Reports at the end of the year showed that the drop in farm income in 1954 amounted to 13 per cent. To one section of our population this was a pleasant thing, because cheaper farm commodities meant cheaper food. But there is something more serious which has been generally disregarded by a large portion of the public, namely the drop in farm income; and the drop in general food prices has had much to do with the jobs of ordinary Canadians.

We are hearing all sorts of reasons, even in this house, as the causes of unemployment. It has been called seasonal, and even the weather has been blamed. But everybody who talks about it apparently avoids the obvious explanation. One reason is plainly outstanding. Far too many farmers have not available the cash with which to buy manufactured goods, nor have they the cash when it is necessary to employ labour themselves. We must remember that the 450,000 dairy farmers, together with their families and all the people who are connected with the dairy trade, consume large quantities of manufactured goods. We cannot afford to have the income of that large group of people so reduced that their buying power will be impaired.

The buying power of the farmers is required in connection with goods manufactured by Canadian industry, by Canadian labour. When the buying power of the farmers becomes impaired—and let us remember that there are several hundred thousand farmers—there is a slow-down of our industrial economy, and we have the kind of unemployment that we are experiencing in Canadian business today.

Under present conditions in Canada it is an excellent thing to be able to obtain cheap food. I repeat that the drop in our consumer price index, or the cost of living record, is mainly due to the fact that there has been a drop in the price of food. In this connection it is well to remember that cheaper food is related to jobs; I refer to jobs of people employed in industry and manufacture. There is little good in the saving of a few cents on the cost of a spread for bread, or a pound of processed cheese, if the result is going to be that more Canadians are thrown out of jobs. Let me again emphasize the fact that in this case food costs are related to jobs.

The average farm family buys about four times as much goods of every description as does the average urban family. The farmer buys not only the necessities for his household but, in addition, buys largely the products of industry in the nature of farm implements and various types of goods or machinery which he uses in his work on the farm. When the farmer makes less money he does not buy, and the people who are employed in other industries, who live and are consumers in urban centres, should remember that when they demand cheaper food they are, without thinking, contributing to unemployment within their own country. I do not blame people for wishing to buy their food more cheaply. This is only natural with the present high cost of living, but one must take a broad and long-term view of the matter.

I now come to the question of the importation of New Zealand cheese. There is an old saw about carrying coals to Newcastle, and this is about the most surprising deal one could imagine. In Canada we have cheese to give away and now more of it is being hauled thousands of miles across the Pacific, adding to the confusion. There has been some mystery about this deal, because it is extremely difficult under the circumstances to find why such a deal was ever made. Under the deal 2,250,000 pounds of New Zealand cheese are being imported into Canada at a time when about 10 million pounds more cheese is reported in Canada than there was a year ago. If an importer can bring in New Zealand cheese, this takes the props from under any Canadian dairy product.

Further, if what the Minister of Trade and Commerce (Mr. Howe) says means unrestricted imports of cheese and powdered and processed milk, then within six months Canadian products will be at the world price, which is approximately $2 a hundred for milk. It may be argued that this New Zealand cheese is only one shipment, is not likely to be repeated, and is not a matter of great moment. The Minister of Trade and Commerce stated in the house a few days ago that no further imports of New Zealand cheese are expected for six or nine months.

Apparently a verbal agreement was made in 1952 whereby New Zealand agreed not to send cheese to Canada for the reason that Canadian producers were having difficulty in selling to the British market. The Ontario cheese producers' association has been working, at considerable expense to the organization, to stabilize this department of the dairy industry of the country. In fact it has raised over a million dollars for the purpose of exporting Canada's surplus. Now the cheese producers find that the market is completely disorganized, and it was already in a difficult position.

The statement made by the Minister of Trade and Commerce in the house on January 10 has added to the confusion, as it appears that the way is left open for unrestricted imports of dairy products from New Zealand. It has placed the cheese producers of Ontario in a very precarious position. Under difficult circumstances they have been doing an unusually fine job in marketing their products. They have a marketing scheme, and they are a thriving organization. But at the same time they have incurred large debts, and they have a large stock of cheese on hand.

The organization was built up largely with the blessing of the federal and Ontario governments. Under existing legislation the federal government guaranteed them 24 cents a pound. The Ontario government gave them other guarantees. The cheese producers have built a large warehouse at Belleville and have another under construction at Winchester. This has been done by means of Ontario government loans. These warehouses were built to facilitate the handling and proper storage of cheese. The federal Department of Agriculture has been close to their activities, and with the full knowledge of that department the cheese producers have deducted two cents on every pound of cheese produced in 1954 to bonus or subsidize their exports to the United Kingdom. By the use of the funds thus created they have exported over 4 million pounds of cheese to the United Kingdom.

I received a letter a few days ago from the patrons of a cheese factory in my own area pointing out that from cheese sales totalling $59,881, they had paid $3,883 to the fund to stabilize the price of cheese. The fund was built up at the rate of two cents a pound on cheese, which was equal to 17 cents on every hundred pounds of milk. One must admit that this was a very high contribution in order to build up their industry and retain markets. The cheese producers now hold and own 10½ million pounds of cheese, which would require $2,853,000 to liquidate it at 27¼ cents a pound. At the same time they owe the banks on guaranteed loans over $3,300,000. One must admire these producers for their confidence in the industry to date, because they were in business to help themselves with the full knowledge and apparently the blessing of the federal Department of Agriculture.

Unfortunately they received no advance warning of this New Zealand shipment, although details must have been known to

persons in Canada some months ago. Because the federal and Ontario governments have given encouragement and guarantees, both these governments have a stake in the cheese stocks which are now held by the producers' own organization. Even the threat of further imports could force down domestic cheese prices. Then both governments would lose considerable amounts of money. The cheese marketing scheme apparently has been working well and satisfactorily, but buyers will have lost confidence.

There is about 10 million pounds more of cheese reported in Canada today than there was a year ago. Let us assume that this is surplus to our needs, so that an export policy is needed to get it moving abroad. The importation of cheese from New Zealand was completely unnecessary, and it now makes the job of selling Canadian cheese more difficult. The smaller traders will be doubtful for some time about buying in quantity. No doubt an argument will be made that the 2¼ million pounds represented by the New Zealand importation will cost the firm finally receiving it more than the world price, and that it will give them no great advantage in the price field. It was rumoured that this cheese was sold by the New Zealand dairy board in Halifax, off ship, at a considerable premium over the price received by the same board from the United Kingdom, and that the cost to the final buyer will be around 27 cents.

The prevailing price of Ontario cheese for domestic buyers has been around 30 cents for the past year, and somewhat less for Quebec cheese. The home price in New Zealand for cheese shipped to the United Kingdom really amounts to about 21½ cents in Canadian funds. If the threat of further New Zealand cheese imports is held over the head of the Canadian industry, it is not very difficult to see the implications involved therein. Canadian milk producers, at world prices for dairy products, would receive less than $2 a hundredweight for milk at the farm.

No matter what the cost of milk production is in other countries, we must be fully aware of the fact that it cannot be produced for any such amount in Canada. No farmer can keep ten to twelve dairy cattle on a farm for a day, feeding them and milking them, for $2. It just cannot be done in this country, where our whole milk producers get over $4 per hundredweight.

Unemployment is now a big issue in Canada. It is so big an issue, in fact, that a special bill was introduced into parliament for consideration not very long ago. There is no reason to look any further for causes of unemployment. One of the reasons stares us in the face. Over two million Canadians have less money to spend and they are buying fewer automobiles, sewing machines, tractors, farm implements and trucks. Fewer men are required to make these machines. This in large part is the story of unemployment. The importation of 2¼ million pounds of New Zealand cheese may have enabled some Canadian manufacturer to sell some products to our sister dominion. In the long run many more might have been sold right here in Canada to Canadian farmers if the latter had the money with which to buy them.

The entire dairy industry is carrying on under the competition of cheap imports in the various forms of edible oils which are coming here from other countries, especially the United States. I mention this fact because it is one of the difficulties the dairy farmers are facing today. With the addition of these shipments of cheese from New Zealand, the position of the dairy farmers is going to be extremely difficult.

Some of the areas from which edible oils are obtained have a very low standard of living. Wages are only a fraction of those paid in this country. The duty on these edible oils is either small or non-existent. I point out that Canadian farmers are asked to compete with a product exported from countries with the lowest wage rates in the world. No other industry in Canada would stand for such competition.

Other Canadian farmers outside the dairy industry are beginning to realize their position. A few weeks ago the soybean growers of western Ontario appeared before a dairy convention in Toronto and the annual meeting of the Ontario federation, asking these bodies to work with them to secure protection against cheap imports. In the face of public demand for cheap consumer goods, one must realize again the importance of maintaining the dairy industry, composed of 450,000 farmers, and of maintaining the buying power of the two million people who contribute in some way to this great industry.

There has been a considerable decline in our exports during the past year. Canada is losing markets to which she formerly exported agricultural products such as milk, milk powder, cheese and pork. There is a general tendency to say, and I quote the words, "Canadian farmers cannot compete in world markets due to high prices." This may be true, but it creates an entirely wrong impression. It gives the impression that farmers have raised their prices to such a degree they are unable to compete with farmers in other countries. It also gives the impression that if farmers would only reduce their prices they could sell more abroad.

The truth is that not only farmers but other Canadian producers find themselves being priced out of world markets. If all other things were equal farmers would be glad to cut their prices so they could export, provided they would not be expected to do all the cutting. Farmers and manufacturers in other countries can sell for less in the world markets because their costs are less, wages are lower and the standard of living is lower. Canadian farmers have made a substantial contribution, but this has been offset by high processing and handling charges. Canadian consumers are not receiving the full benefits of lower farm prices, because costs over which the farmer has no control have risen.

Turning to another subject, I may say that I was interested in a speech made by the Minister of Finance (Mr. Harris) in Montreal in November. He indicated in that speech that he found taxes in Canada pretty high—those were his words—and he was amazed that Canadian citizens put up with them. I enjoyed hearing someone in the government say this, especially the Minister of Finance. Evidently the minister is aware of the burden on industry and the people in general.

There is no doubt about the requirements for defence and general maintenance, and allowance must be made for increased services. But if our industries are going to succeed in a competitive market there must be a cutting down of costs. This must start with a real program of economy within the government. I suggest to the Minister of Finance that it is true of human nature that where a person has been living high, with almost unlimited money to spend, it is sometimes difficult to learn how to restrict unnecessary spending. I suggest that in this connection study should be given to the report of the Auditor General.

There has been a great deal of discussion on the matter of cutting costs in order that we may export, and a tendency to blame various groups or sections of our people. It is sometimes difficult for any one group to make the first move because of the cost of living. Hardship is always involved if the balance between income and the cost of living is disturbed. The workers in any industry wage a continuous struggle to maintain the balance between wages and the cost of living.

Our great neighbour to the south, the United States, is almost self-contained. They have a domestic market of 160 million people. There is complete interchangeability of goods among the 48 states. Again I cannot help but point out that our domestic market is only 15 million people. This brings up the question of the importance of immigration, and the building up of our population as a long-term plan cannot be overemphasized. If we doubled our population that would give us a domestic market which would absorb more and more of our industrial products, including agricultural products. The development of our natural resources would mean many more workers, more buyers of domestic consumer goods and a greatly increased domestic market. It therefore follows that in such a long-term program of development there would be more employment for Canadian workers.

Certain factors must be taken into consideration in meeting competition. Taxes add to the cost of production and place our industries at an unfair disadvantage. When industry suffers in this way, unemployment is created. Industrial growth is hampered by high corporation taxes. Increased consumer buying power stimulates industrial expansion, and in turn creates more jobs. Steps taken toward lowering taxes would decrease production costs and help our industries to meet competition, not only in the domestic field but in the export markets as well.

I regret, Mr. Speaker, that there is no mention of economy in the speech from the throne. Every year the government says the Canadian taxpayer must produce more money. Taxes can defeat their own ends. If the tax levy is at too high a rate, production and expansion in industry are decreased and in the end the tax will produce less revenue than a somewhat lower rate. A corporation tax of 49 per cent would leave little room for industrial expansion, cutting of costs, and hence ability to meet foreign competition.

I am fully aware of the difficulties involved in world trading today, but again I point out that under present conditions we cannot afford to sacrifice the great Canadian dairy industry. The international tension that exists today makes it necessary, for our own preservation, that we maintain this important industry as part of our program of preparedness.

The farm implement industry now has marked unemployment. In this connection I wish to briefly discuss the Colombo plan. Canada has voted $100 million to help the economic development of south and south-east Asia, and to help raise the standard of living of the 570 million people in that area. The Department of External Affairs, in discussing the Colombo plan, has stated:

> India's food problem is tremendous. There is never enough food produced in India to feed the population at even the minimum standard to which they are accustomed.

The shortage of food amounts to five million tons. According to the same statement the government of India seems to be fully aware of the desperate need to close this gap, and its five-year development plan concentrates on increased agricultural production. We are told that India devotes 17·5 per cent of investment capital to the improvement and extension of agriculture, and 21 per cent to irrigation. It would seem that it is India's policy to grow more food for her people.

Apparently it is left to the country receiving the help under the Colombo plan to decide how the money should be expended. If the policy of India is to grow more food it will mean bringing more land under cultivation and improving the farming methods on the new land as well as the areas already under crop. The improvement could be carried out in some ways by using certain types of Canadian farm machinery.

Of the $51 million Canada sent to aid India, we find that none of the money has been spent on farm machinery. Pakistan and Ceylon received the remaining $48 million, and of that sum only $200,000 has been spent on farm machinery. Canada sent to India locomotives, electrical equipment, boilers and the like, but no plows, tractors or other farm implements. It would seem that in India, which is concentrating on increasing the production of foodstuffs and has reclaimed two million acres of land, added to another eight million acres which were brought under irrigation, it is poor policy to continue working on land by primitive methods which in years gone by have never yielded adequate crops.

I am aware of the difficulty in teaching these new methods as opposed to the ancient methods in some of those countries; but if sufficient food is to be grown then new methods will have to be adopted. In view of the fact that the farm implement industry in Canada is going through a difficult period from lack of orders, I suggest that measures be taken to increase the shipment of those commodities to such countries as India which are receiving help under the Colombo plan. Certainly $200,000 worth of implements is a very small proportion of the $100 million Canada has already expended. I believe expenditures under the Colombo plan represent money well spent, and will bring excellent results. But as I have suggested, it would help the farm implement industry in Canada if a due proportion of Canada's expenditures were to consist of agricultural implements.

Mr. F. A. Enfield (York-Scarborough): Mr. Speaker, I am always very favourably impressed by the high level of debate and the effective presentations one hears in the house, to the point where sometimes I am a little diffident about making my own contribution. I wish particularly, however, to congratulate the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply. The hon. member for Verdun made a most eloquent presentation. This is understandable in one who comes from a province where fine speakers and great orators are the order of the day. And most certainly one must take justifiable pride in the clear, concise and comprehensive remarks of one's closer associate from the Toronto area, the hon. member for Trinity.

It is understandable that many hon. members are most concerned about the unemployment situation. I think we all feel that, so long as one person who wants work is unable to find it, for him the distress is great indeed. During the past two years we have seen a change in economic conditions on a world-wide scale. Competition has increased greatly in the selling field in all parts of the world, particularly with the economic come-back of the European countries, including Germany and Great Britain. We have witnessed a change from a wartime economy, with defence expenditures predominant, to a peacetime economy and certainly to a more normal period of economic growth and change. This change has been followed with some anxiety and certainly with a great deal of interest by the investor, the businessman and the worker.

Fortunately there has been no great economic upheaval, although there has been some economic upset. We see a residue of unemployment now resulting in Canada. The latest figures I have from the dominion bureau of statistics indicate that on November 30 of last year 214,000 persons were out of work and seeking employment. This was the total in a labour force of 5,417,000 workers, or a little more than 3½ per cent of the total labour force.

Without wishing to minimize the seriousness of unemployment generally I should like to draw a comparison between the monthly unemployment figures of the years 1953 and 1954, to show the increase per month during that time. For example, in March 1953 there were 172,000 persons seeking employment and in the corresponding month of 1954 there were 318,000, or an increase of 146,000. In April of 1953 we find the figure to be 165,000 and in 1954 to be 303,000, or a slightly smaller increase of 138,000. For May of 1953 the figure was 114,000, and in 1954 it was 217,000, or an increase of 103,000. In June, July and August the increase per month was 95,000, 82,000 and 83,000, respectively. The same proportions applied for September, but in

October the increase had dropped to 68,000 and in November the increase over the corresponding month in the previous year had dropped to 63,000.

I know the argument will be offered that one can do anything with figures, but I do suggest that they indicate a strong trend. The problem is serious, but it was not as serious at the end of that period, namely in November of 1954, as it was in March of that year. And I think we have good reason to hope that this trend will continue. I do not share the view of the Acting Leader of the Opposition (Mr. Rowe) and the hon. member for Hamilton West (Mrs. Fairclough) who felt that unemployment would continue to increase to a point where we would have about 600,000 unemployed before the close of the winter months. If the trend I have indicated continues I feel the situation at that time will be somewhat less serious than it was last winter.

In Toronto we are very fortunate in this respect. In a recent issue of the *Globe and Mail* there is a comment by an official of the unemployment insurance commission to the effect that there is the equivalent of a little more than one person unemployed for every 28 employed in that city. We know that unemployment figures vary from municipality to municipality and from area to area, and that the unemployment situation is most serious in some areas. I do feel that in those places the intelligent allocation of public works and projects is most important to alleviate local situations.

While I am on this subject I will point out that an awkward problem does exist in connection with the relief of the employable unemployed. I know the federal government has been charged with complete responsibility for these persons. The statement is made that in the green book, which is the record of the dominion-provincial conference of 1945 and 1946, the dominion government made certain proposals in this connection. I would point out, however, that when an offer is made it does not constitute a binding contract until such offer has been accepted. At that time, as we know, the two largest and richest provinces did not accept the offer. Ontario entered into a separate tax agreement in 1948, and Quebec has not as yet entered into any agreement. Therefore the legal responsibility still rests, of course, with the provinces for the relief of the employable unemployed.

It is true that we have taken on the task of providing an unemployment insurance act. Many people feel that because we have done so we should assume complete responsibility for unemployment. From a practical point of view it might be better to administer this type of thing by one government and with one administration. Perhaps that is the only really businesslike way in which the matter can be handled. But you cannot take on a financial responsibility which by virtue of the constitution rests upon the provinces unless you enter into some agreement with them to safeguard yourself at the time you take over. When a dominion-provincial conference is held in the future I feel that this question should be placed high on the agenda, and it should be decided definitely where the responsibility will lie.

When we look at the third quarter of 1954 and the beginning of 1955 we see a feeling of buoyancy and optimism expressed by our business leaders, by our newspaper columnists and commentators. Despite the unemployment I feel I have caught some of that feeling of buoyancy and optimism. I think as a federal government we should do all we can to foster an optimistic outlook.

One of the strongest pillars of employment, in metropolitan Toronto in any event, has been our housing program. The government must feel most gratified indeed at the unqualified success of the National Housing Act over the past year. We know that on the national level in 1953 some $280 million was invested in National Housing Act loans. For the first nine months of 1954 that figure had increased to $418 million, nearly twice as much for just the first nine months of that year. It showed a tremendous increase.

In the Toronto area some 7,500 homes were built under National Housing Act auspices in 1953. In the first nine months of 1954 that figure had doubled, to 15,000. The manager of the local office of Central Mortgage and Housing Corporation in Scarborough tells me that over 60 per cent of all National Housing Act homes built in metropolitan Toronto were constructed in that township. I am quite proud of that. Over 7,000 homes were constructed during the year in Scarborough, which is certainly most gratifying.

The building of homes has a tremendous impact upon our economy in the way of providing employment and an outlet for investment. In this connection I should like to quote from a speech delivered by the Minister of Public Works (Mr. Winters) to the Electrical club in Montreal on December 1 last. The minister said:

> By the end of the year Canadians will have spent about $1,250,000,000 on new housing during 1954 alone. This is 5 per cent of our gross national product. This program means expenditures on materials of over $680 million, and employment for a labour force of an average of about 100,000 men for a full year on site alone.

We are all anxious to keep the housing program or housing boom—I think I can use

that word—continuing at its present level, if not increasing. We must look at some of the problems involved in this situation. If we are to bring housing into a more effective field of demand where it will be progressively necessary to build more houses, then the price of housing must be brought within the reach of the average income groups.

One of the largest items of cost in connection with housing, at least in the metropolitan Toronto area, is the cost of serviced land. Municipalities hesitate to impose increasingly heavy tax burdens on the taxpayers in these communities. The largest single item of cost to the community is that of providing schools. I noticed in the January 7 issue of the Toronto *Daily Star* that the township of North York, a great part of which is in my riding, has a program for schools that will cost more than that of any municipality in the country. The cost of education falls directly upon the home owners. In my riding this accounts for 50 per cent, or in some cases 60 per cent, of the real estate tax bill. This is really a crippling proportion. As I say, municipal councils hesitate to embark upon new housing projects if this taxation has to be increased.

We are often requested as a federal government to contribute toward the cost of education. Under sections 91 and 92 of the British North America Act, which allocate powers to the provinces and the dominion, we do not have jurisdiction to interfere with or to make direct contributions toward elementary schooling, or toward secondary schooling for that matter. We have made contributions to the universities which have been accepted and administered by the provinces. I think in a future dominion-provincial conference the question of federal contributions toward education might be usefully dealt with.

We could confer a direct benefit upon municipalities by allowing real estate taxes to be deducted from net taxable income for income tax purposes. I realize that this is not the first time this has been suggested in the house. On checking *Hansard* I notice that the former member for York West, the late Rodney Adamson, at one time made this very suggestion. There may be more equitable ways to reduce taxes if that is what we have in mind. I feel that this would not be so much a reduction in taxes as an adjustment to encourage the continued expansion of the housing industry. I think perhaps it is worthy of some consideration. I admit that I have not attacked all sides or looked at all the considerations that might arise in connection with his suggestion, and I must admit that the suggestion may be considered a selfish one on my part because more than 95 per cent of my constituents are home owners.

Mr. Nicholson: Could the hon. member estimate what it would cost the federal treasury?

Mr. Enfield: No, I do not have any estimate of the cost of this reduction to the federal treasury.

The question arises as to the application of the sales tax and excise tax in connection with supplies purchased by school boards for maintenance and construction. We saw this principle invoked last year in the reduction of excise taxes on certain equipment purchased by municipalities. It might be well worth looking at the school situation from this point of view.

Tax reductions do not always mean reductions in the actual revenue collected and perhaps that was what was in the mind of the hon. gentleman who asked the question a moment ago. This may seem paradoxical, but we all know that often some reduction in taxes will produce an increase in economic activity, the fruits of which are greater revenue or perhaps the same revenue as before.

I do not like to think of taxes being decreased because that raises connotations in the minds of businessmen that the government is on an economic drive. I would not like to see government expenditure decrease because I think that would be a very bad thing for the economy at this time.

Since 1946 we have seen a tremendous expansion in business and in the economic field throughout the country. We have an expanding economy, and while it is expanding we enjoy more or less full employment. It is necessary that we sell the fruits of our labour abroad. We have to trade to survive, and I would like to commend the government on taking a stand for the ideal of free trade. The liberal trading policies of Canada —and I use the small letter "l" there—have been questioned lately as never before, and that is perhaps natural. Canada's trading pattern before the war was well established. We applied the sterling balances in our trade with Britain to the deficit in our trade with the United States, and thereby maintained a balance of trade between the two areas.

After the second world war sterling area restrictions were strengthened; there were increases on quotas—quotas that still exist—and, of course, the pound was unconvertible. The pattern of trade under these circumstances changed. Britain and other sterling area countries were unable to take the

volume of commodities they previously took because they did not have the dollars with which to pay for them, and more and more the emphasis was placed on our trade with the United States. That was a natural and in my opinion inevitable result.

We could have joined the sterling area, but I do not think anyone would seriously suggest this proposition. It ignores the economic realities of our situation, which include the close geographical proximity of the United States. It would also ignore the North American outlook which is part and parcel of Canada and the United States. Our equipment and organization in Canada is North American in its scope and details. We have great and numerous inter-company relationships between the two countries which is an altogether desirable and inevitable consequence of our geographical proximity. There is a terrific pressure for United States capital to seek an investment outlet under profitable private enterprise. The United States is our chief source of foreign capital, and it will be more so.

We recall the Paley commission, which was set up in the United States to study their sources of natural energy, hydro, coal, oil, and uranium. The commission, I believe, reported in 1952 to the United States congress that their home sources of energy were on the decline and had passed their peak. Every day means the consumption of more energy in industry and in homes in the United States. Canada, on the other hand, has tremendous sources of energy that have yet to be developed, and some that have yet to be discovered, while the United States will be forced to look more and more outside their own country for sources of cheap natural energy.

Developments in British Columbia in the field of hydroelectric power are indicative of the trend. We see ourselves exporting tremendous quantities of hydroelectric power in the form of aluminum from British Columbia and some other parts of the country. What then is the result of this trend? Two-thirds of our import and export trade at the present time is with the United States. Roughly, we take about 26 per cent of all United States exports. We are their best and largest single customer. We take more goods from the United States than all the Latin-American countries combined, and indeed more than all the European countries combined.

We still have surpluses, of course, particularly in our farm products. It has been suggested that in order to promote convertibility of the pound we should loan money to Britain. This is a good suggestion, but it ignores the fact that British traders of late have been given more or less a free hand in the purchase of lumber, wheat, and metals, and they do not want to borrow money to purchase items which are not essential to their economy. It is all very well to suggest that we loan Britain the money with which they can purchase our goods and thereby assist them in their drive toward convertibility. It takes two to make a bargain, and it is very doubtful if Britain is disposed to borrow money. Her aim is to get out of debt and strengthen her economy, which in itself will provide the answer to convertibility. That answer lies in free trade.

The general agreement on tariffs and trade embodies the old empire preferences, because they are acceptable to the countries taking part in the agreement. Under the circumstances we have seen an increasing amount of multilateral trade between sterling and dollar countries, and the situation is improving continuously. However, convertibility is not something you just pick out of the air. It will take time and patience on the part of the countries involved to reach that point when we will have the benefit of trade with the sterling area free of quotas and restrictions.

In the meantime, our government is pressing for the provisions of the general agreement on tariffs and trade, and urging that they be fully carried out. I think the recent journey of our ministers of trade and commerce (Mr. Howe), finance (Mr. Harris) and external affairs (Mr. Pearson) to Washington was an imaginative, courageous and highly commendable action; and although it may be some time before we see any change on the part of the government of the United States we can certainly say that we have tried to impress upon the United States the importance and urgency of carrying out the provisions of the general agreement on tariffs and trade. From that point of view I think the negotiations were highly successful.

We have seen a great economic and spiritual conflict in foreign relations among the different countries of the world. We hope that out of that conflict, as is very often the case, a firmer understanding towards peaceful development will emerge. Despite our problems the Canadian nation has been pulling its weight as a world power. When we have been called upon to do so we have contributed to the defence of the free nations. We took our part in the Korean conflict. We participated fully in the North Atlantic Treaty Organization. I think the free world is better for the 12 squadrons of fighters we now have operating in Germany. We have an

important role in Indo-China. We did our part in the Korean negotiations. I feel that our spokesmen are admired and respected at the United Nations.

On the economic front, the Canadian dollar is still the world's strongest currency. We shall obviously have our bad moments, but underneath it all there is an underlying economic, spiritual and philosophic strength which none of us yet fully appreciates. I feel that we should have no fear for the future.

Mr. Speaker: Hon. members will realize that for the hon. member for Macleod (Mr. Hansell) to start his speech at five minutes to six might not be too convenient. Shall I call it six o'clock, if that is agreeable to the hon. member?

Some hon. Members: Agreed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. E. G. Hansell (Macleod): Mr. Speaker, may I thank you indeed for your courtesy at five minutes to six in asking for unanimous consent to call it six o'clock. It helped me to avoid starting my speech only to break into it for the dinner recess.

In the debate on the speech from the throne I wish to speak on behalf of the people of the constituency of Macleod, which I have had the honour to represent for some years.

The constituency of Macleod is quite diversified in several ways. There are the Turner valley oil fields at the northern and western corner, and while they are not quite as active today as they were some years ago, nevertheless there is quite a little industry in that part of the constituency. Then there is the great foothills country on the east slope of the Rocky mountains, which is a tremendous ranching region. Toward the south and west is the coal mining area of the Crowsnest pass. We have a sugar beet industry in the southern and eastern corner, and most of the central region is composed of a rich and vast wheat growing area.

In the time allotted to me in this debate I do not expect to be able to speak on all the various things that affect my constituency. There will be time for that later during the session, when I will be able to speak on behalf of every part of this diversified riding. But I do wish to pay some attention at the present time to a situation that I think is most serious. I refer to the cash position of the farmers of the west. I refer to those of my constituency in particular, because I represent them; but I am sure many others who represent farming regions of western Canada will agree with me that this matter is of grave importance. During the summer I attended and spoke at a number of meetings called by various farm organizations, as well as having the opportunity, of course, of talking to many farmers privately. I found that to many of them the situation was serious to the extent that they did not have enough money to get along.

I think we all realize that over the past number of years the farmers have not complained too much. Prices have been fair to good, and for the most part crop conditions have been reasonably good. There have been some areas where we have had crop failures, and of course the situation in Saskatchewan this year is very bad. But the fact that there is a surplus of grain does not help the farmer if he has no money at the moment. In my investigation I found this meant that certain farmers were in danger of having foreclosures made on the things they had bought. Machine companies were beginning to tighten up, and other companies that had financed purchases of the farmers were beginning to take steps if payments were not made right on time.

Some farmers came to me and said they had difficulty in meeting their current expenses to the extent of having to ask the grocer and others to wait for a little while. It is a well known fact that oil and gas companies came to a point in their operations where they instituted a cash on delivery policy. While we are very thankful in our part of the country, Mr. Speaker, for a measure of prosperity over the years, it must not be thought that all our farmers are wealthy. Some of them have not done too badly, but there are others who by no stretch of the imagination can be considered to be wealthy or in a favourable financial position.

Young men who have started to farm are finding it particularly difficult to get along when they have no cash. The same is true of some young veterans who have started afresh. They do not complain about the treatment they have received from the Department of Veterans Affairs or the policy that has been laid down for them by the government, but they are having difficulty now in financing their way because they do not have cash.

Then again there are the small farmers. In my part of the country it is pretty difficult to be successful with a small farm at any time. Wheat growing is pretty general among the farmers of that particular area, and it is considered that a farmer there finds it pretty tough unless he has a fairly large amount of

land. The small farmer finds it hard to get along today, particularly in view of the fact that he cannot sell his wheat and consequently does not have any cash.

It might be said that there is a surplus of grain, and most of these farmers have wheat in their bins. That may be so. Perhaps there was a day when the saying was true that "wheat in the bin was as good as money in the bank", but that cannot be said today. It is not true today because while they may have a surplus of grain stored on their farms, they cannot meet their bills if they have no cash. Foreclosures of one kind and another are threatened, and that is not a very healthy or happy situation.

I think we will all agree that the government has given no consideration whatsoever to alleviating this serious condition. I believe they should have done so, because there are ways of alleviating what may be more or less a temporary condition. However, if the temporary condition lasts too long it is then more than temporary; it becomes a condition that one must expect from one crop year to another, and that is not good.

I claim that the government could have taken steps to devise some plan whereby farmers with wheat in storage on their farms could have received some money, at least enough to get by on. I see no reason why the government could not have guaranteed the banks against loss in case they lent money on the farmers' wheat. They could have done that as a sort of bridge-the-gap policy. The government guarantees bank loans today in many other respects. We have the Canadian farm loan board, the loans of which are guaranteed by the government. We have the national housing scheme under which the government guarantees the loans of those people who borrow money for housing. The banks are now engaged in these lending operations, so it is not a new thing for the government to guarantee the banks and lending institutions against loss. It does seem to me that the government could have taken some steps along that line to help the farmers.

There is another suggestion. In my opinion it would not have been difficult for the wheat board itself to advance payments on the grain the farmers have in their granaries. It would be tantamount to taking the grain ahead of time. After all, the wheat ultimately has to go through the wheat board for sale, and I see no reason why the wheat board could not have adopted some plan of that kind under the direction of a government policy.

This would have been of tremendous help to the farmers who were in need. It would not be necessary for the farmers to take advantage of these loans if they did not need them, but the farmers who find they cannot pay their grocery bills, cannot meet operating expenses on their farms, cannot pay for oil and gas deliveries, cannot pay for truck repairs and a lot of other things, could have taken advantage of loans if they had been made available. I do believe the government could have done something along those lines.

Now, what of the future? It is wintertime now, but the first thing you know spring will be here. The farmers will have to put in their crops. Again perhaps the oil companies and other companies dealing with farmers will go on a cash delivery basis. What is going to happen? Are the farmers to continue in this predicament? I urge the government, in the strongest possible terms, to give serious consideration to this most grievous problem, and during this session to introduce appropriate legislation to deal with this matter. I am sure western farmers would be pleased if something of that kind could be accomplished. Nobody would be out of pocket, and the farmers would be pleased with that action by this government. I ask that the government take appropriate measures along these lines as soon as possible.

During this session I shall deal with other matters affecting my constituency at such times and on such appropriate occasions as will afford more effective discussion. I turn now to another matter upon which I think there is need for some comment. We have heard a good deal in this debate, particularly from our C.C.F. friends, about what they regard as the evil of our private enterprise system. Frankly, of course, we in this corner of the house, we Social Crediters throughout Canada, support an effective private enterprise system. We recognize that in the past there have been certain abuses of the system by certain individuals or corporations. However, that is no reason for blaming the system as a whole. We believe that these abuses could be eliminated and that the private enterprise system could function effectively and efficiently for the good of all the citizens of Canada, providing them with incomes and at the same time giving them the freedom that free enterprise should give.

We believe private enterprise could become extremely effective under a proper financial policy. It does seem to be a sort of stock in trade argument for our C.C.F. friends, whom we have learned to like as men, to blame private enterprise for everything. It is significant that they never say, at least I have never heard any of them on any occasion, how they would handle any problem for which they blame private enterprise.

If an economic problem exists they never appraise it in the light of all its factors; they never seek for a proper solution. They just blame private enterprise and rap the knuckles of this Liberal government or any government throughout the country for what they claim is that government's loyalty to the private enterprise system.

While I say that, after a good many years of observation and study, and a good many years during which I have been responsible for appraising political trends, I have come to the conclusion that in reality there is no more dangerous socialist party than the present Liberal party in Canada. Now, that may sound strange to some ears.

Mr. Winch: Who is to cross the floor?

Mr. Hansell: I think I can show that is true. I did not say they were socialists in the same sense as our C.C.F. friends are. I said they were a more dangerous socialist party than our C.C.F. friends are, and I shall tell you why. Our C.C.F. friends are outspoken in respect to their socialist proposals. They make no bones about them. They say "We are socialists; we believe in the socialization and government ownership of industry". They lay their cards on the table and say "There you are. We believe in it and we want it to come." But our Liberal friends, they say "Go easy; not so fast". They give lip service to free enterprise but bide their time to introduce socialist legislation.

One only has to examine the debates of the house to find the truth of what I have just said. If you turn to the speech delivered by the hon. member for Vancouver South (Mr. Philpott) the other day you will find that he talked about the Conservative amendment. I am not going to read all he said because I think we all remember it. Oh, I got the wrong page.

Mr. Winch: That is not all you got wrong, either.

Mr. Hansell: We will see in a little while how wrong I am. The hon. member for Winnipeg South—

Some hon. Members: Oh, oh.

Mr. Hansell: I should say Vancouver South; excuse me. You see, there is so very little difference between one of the members from Winnipeg and one of the members from Vancouver that it is very difficult for me to distinguish between them. I was about to say that the hon. member for Vancouver South was very jubilant in recognizing that the Conservative party in this country is now jumping over the traces and recommending a contributory national health insurance plan. Indeed, he said at page 103 of *Hansard* that when he heard that his heart beat for joy. He said:

> When I heard that my heart beat with joy. My cup of jubilation really ran over.

But he did deplore the fact that the Acting Leader of the Opposition (Mr. Rowe) had stolen the thunder of the leader of the C.C.F. He referred, of course, to the humorous incident that had occurred in English bay when some chap dived in and came up minus his swimming trunks, and you will recall how he likened that to the leader of the C.C.F., visualizing that hon. gentleman standing in English bay minus his swimming trunks.

Then he said, to quote again from page 103—and, remember, the hon. member for Vancouver South recognized that the proposal made in the amendment was in fact a piece of socialist legislation—

> May I say without any attempt at being facetious or witty just how glad all of us are on this side of the house who have always believed in the principle of national health insurance and who also believe in the principle of "not swift nor slow to change but in its season to bring the law".

And then he went on to say:

> May I express the true hope that the smiling, genial and highly respected Acting Leader of the Opposition (Mr. Rowe) will still be around when our Prime Minister rounds out the final blueprint which was laid down in 1919 by the great Mackenzie King and we finally wind up the finest welfare state on earth with a national health insurance scheme.

That is the quotation. How often do we hear it said in this house and out of it that the C.C.F. are nothing but Liberals in a hurry. I did not go to the trouble of turning back to last year's *Hansard* and reading the speech which I remember was given by the hon. member for Winnipeg North Centre (Mr. Knowles), when he was pleading for this legislation. At that time the hon. member went back into history and said, "Now, in such and such a year we proposed this. We have been urging it and urging it, and eventually the Liberals have adopted it. In such and such a year we proposed this other thing, and we urged it and urged it, and later on the Liberals adopted it." He went back into history; indeed, he must have done quite a little bit of research. We know he does that.

I was interested in his speech when he proceeded to show how the C.C.F. had urged these various policies—and they must be socialist policies or they would not be urging them—and that the government eventually had adopted them. Then he went on in his speech to say, "Now we have proposed this. It is coming. Why not now?"

Mr. Knowles: Hear, hear.

Mr. Hansell: "Hear, hear" the hon. member says. What does it mean? It simply means this—

Mr. Gillis: That the Liberals are smart.

Mr. Hansell: And I will tell my hon. friend from Great Britain—

Some hon. Members: Oh, oh.

Mr. Hansell: From Cape Breton—I will tell my hon. friend just how smart they are. They are a little smarter than the C.C.F., because the C.C.F. wear heavy clog boots when they propose something, letting everybody know they are coming.

Mr. Gillis: Honest, honest.

Mr. Hansell: But the Liberal party are smarter, because they put on their socialist carpet slippers and creep up on the public. Eventually socialist legislation is put on the statute books, and some time after the people suddenly awaken to the fact that they have been engulfed in a sort of socialistic welfare state, without their knowing it. The Liberals give us socialism by stealth; that is the difference between the parties.

Mr. MacInnis: You are not saying that the Liberals are stooges for the C.C.F., are you?

Mr. Hansell: I say that the Liberal party of Canada is the great carpet-slipper socialist party of Canada.

Mr. Knowles: Do you favour health insurance, or are you against it?

Mr. Hansell: I knew my hon. friend would have to bring that up. We do favour a type of health insurance, but not the type my hon. friend favours.

An hon. Member: A different kind of slipper.

Mr. Hansell: I do not know; perhaps we are not so smart, either. We are so far ahead of them in our thinking that perhaps we are ahead of our times.

Mr. Knowles: What have you got on your feet?

Mr. Gillis: Moccasins.

Mr. Hansell: We see things happening in the world; we see things happening all around us because of an economic system that is basically wrong. We Social Crediters believe we have the solution whereby the people of Canada can have the security that our vast productive wealth can give them, and that they can have it without socialization and without taking any of their freedom from them. They will be able to be free and secure and enjoy all the good things this potentially wealthy country can give.

[Mr. Knowles.]

Mr. MacDougall: Would the hon. member permit a question?

Mr. Hansell: Well, my hon. friend is very genial, so I think perhaps I should allow him to ask his question.

Mr. MacDougall: Thank you very much. I was going to ask you if you believe in voluntary health insurance, because you certainly preached it in British Columbia.

Mr. Hansell: Of course we believe in voluntary health insurance, because we have that now throughout the country.

Mr. MacDougall: Oh, yeah?

Mr. Hansell: Of course we have. Anyone can go into a voluntary health insurance plan simply by paying the premiums. There are a good many companies that have it.

Mr. Knowles: Anyone can have a Cadillac, if he can pay for it.

Mr. Hansell: I turn now to the amendment proposed by the C.C.F. I should like to read it, because I have a word or two to say about it. It says:

> That the amendment be amended by inserting therein immediately after the words "Your Excellency's advisers" the following words:
> "have deliberately returned to the policy of uncontrolled and unplanned private enterprise which resulted in the depression and unemployment of the pre-war years, and that Your Excellency's advisers have failed to undertake the economic planning necessary to cope with the serious problems now facing the Canadian people, and"—

Now, I wonder if the wording of that sub-amendment is correct. In it they are blaming free enterprise or private enterprise for the depression of pre-war years. To my way of thinking private enterprise in pre-war years did a grand job. The job was to produce the things people needed. They did that job. As far as my friend saying that the government is returning to an uncontrolled and unplanned private enterprise, may I say our war effort was carried on remarkably well. The reason it was carried on remarkably well was that the government, with a system of controls which I admit are necessary in wartime, did permit private enterprise to do the job and it did it well.

In pre-war days we know that we had an economic depression, but it was not because private enterprise had not produced the goods. It had produced the goods. The only difficulty in pre-war years was that the people did not have the money in their pockets to buy the goods.

That brings us back to a very different line of thinking. It was not a matter of private enterprise or government ownership at all; it was a matter of pursuing a financial policy that failed to put purchasing

power into the hands of the people, enabling them to buy the goods which were available.

Here is one thing I would like to have our C.C.F. friends tell us. I would like to have them tell us how in pre-war years they could have taken over private enterprise and still distributed the goods that were piled sky high in our stores, in our granaries, in our warehouses, and with our assembly lines closed down. It was because people did not have any money with which to buy them. I would like them to tell me how government ownership would have solved that problem.

Now they talk about a planned economy. I am not saying that those in responsible government positions should not have some idea of what they are doing, if that is what they call planning. But that is not what our C.C.F. friends mean. I would like to know who is to do the planning. I might ask my friends, since they believe in economic planning, if they would be satisfied with the type of economic planning that this Liberal government would pursue? Of course, the answer is obviously no. Would they be satisfied with the type of economic planning that would be pursued under the policies of the Conservative party? Of course, I do not think the Conservatives will ever be on that side of the house to attempt to follow their policies; nevertheless, would they be satisfied if that happened? Of course the obvious answer is no. I am quite certain if we Social Crediters believed in economic planning and were on that side of the house they would not agree with our type of economic planning.

What would they be satisfied with? Of course my hon. friend back there says "Our type of economic planning". When our friends talk of economic planning what do they mean? They mean, of course, what they themselves would plan. It would be socialist economic planning by the socialists; that is what they mean.

Mr. Speaker, we in this house have claimed for years and years that there is a basic error in the present monetary policy. We have claimed that there never is enough money coming out of the process of production, whether in wages, dividends, salaries and so forth, to buy back the total production at the prices they are offered for sale. We claim there is a fundamental, basic error in economic policy; that the only way the products of the nation can reach the consumers is for an additional amount of purchasing power to be placed in the hands of consumers without going through the productive system.

We say that if that were done, then the standard of living of our Canadian people would be just as great as our productive capacity could produce, and at the same time you would not have what our socialist friends claim must come, that is socialist economic planning; for a properly devised and effectively functioning financial policy would be its own planner.

Mr. MacInnis: Who would devise and plan? Somebody would have to do it.

Mr. Hansell: My friend may say that, but it would not satisfy him anyway, even though I answered him.

An hon. Member: Who does the planning now?

Mr. MacInnis: You have no other answer except the issuing of money.

Mr. Hansell: I am positive that those who sit on the treasury benches today know that the big problem is to equate consuming power with producing power. If there is an equation of production with consumption in terms of purchasing power and prices you will have no difficulty, and you will solve the very grievous problems that are facing the people of Canada today.

Mr. Knowles: Who is going to plan the equation?

Mr. Hansell: As far as unemployment is concerned, we look upon that in a different light. That is why I say that in our thinking we are just a little bit further advanced than some of the others. I am not patting ourselves on the back when I say that; I am simply saying that I think it is so. What is the objective of civilization? Are not we out to make progress? Are we here for the purpose of seeing that everybody works, works and works? I do not think we are. I think we are here to see that people enjoy life with perhaps the least possible amount of work.

I say that seriously. We do that in many ways; yet when we do it, it produces problems for us. For instance, we cut the hours of labour to a 40-hour week instead of a 48-hour week, and perhaps the day will come when we will have a 36 or a 34 or a 32-hour week. Why? We can do things in less time. That does not solve the problem, yet we do it. Surely it is a thing to be desired, to take the sweat and toil from the brows and backs of our workers. We drag out all sorts of labour-saving gadgets in order to save labour. We do that, and then we talk about unemployment. It is not unemployment that should be our concern, it should be "unimpayment". You will not find that word in the dictionary; I originated it.

An hon. Member: Explain.

Mr. Hansell: That is something we should and could do. We should provide adequate incomes, and it is possible to have adequate incomes and at the same time take the sweat and toil from the brows and backs of those who work.

I am not going into all the technical details of our Social Credit proposals, although I could do it. You would not accept them if I did.

An hon. Member: The hon. member should have started earlier.

Mr. Hansell: We have been presenting our proposals in this house for the past 20 years. Some of us are now in our twentieth year in this parliament, and we trust that some of these things may eventually come to pass. I do not believe they will come about through our present Liberal administration. They certainly will not come from our socialist friends. The Conservatives will not have the opportunity to bring them in. What, therefore, are we to conclude? The only thing we can conclude is that if these things are to come it will be through a Social Credit government, and they alone will bring them to realization.

Mr. W. A. Tucker (Rosthern): Mr. Speaker, at the outset I wish to extend my sincere congratulations to the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne.

Perhaps I should say a word about the very entertaining speech by the hon. member for Macleod (Mr. Hansell) to which we have just listened. I tried to follow him when he endeavoured to prove that the Liberals were really socialists in disguise. Of course, it would be difficult to prove that to me. However, I was interested in his reasoning. He said that the hon. member for Winnipeg North Centre (Mr. Knowles) had outlined various C.C.F. proposals, and suggested that the Liberals had put those proposals into effect. I do not recall exactly what proposals the C.C.F. suggested, but the hon. member for Macleod said they must have been socialist proposals because they were suggested by the C.C.F. I tried to remember the items listed by the hon. member for Winnipeg North Centre which the Liberals put through and I recalled unemployment insurance, old age pensions, blind pensions, and, I believe, family allowances. In this regard, however, I would remind the hon. member that the Social Credit party also supported those measures, and I suppose on the same reasoning they are therefore socialist.

That is the full extent to which I shall try to answer the hon. member for Macleod, because I confess I was not very successful in following his reasoning. I closely followed speeches by members of the official opposition and attempted to detect what faults they had to find in the past administration of this country, and what they had to suggest by way of remedy. It seems to me they concentrated on two things; first, the question of rising unemployment, and second the reduction in export trade. I shall deal with some of their suggestions during the course of my remarks, but first of all I wish to deal with some of the positive achievements of the present government which, I believe, fully warrant the support they have received over the past 19 years.

I believe the most important consideration for all of us is the extent to which we have contributed as a nation, under the leadership of the present government, to the preservation of peace. The London-Paris agreement will shortly be laid before the house. That agreement is designed to promote the solidarity of the western world against the only possible aggressor, imperialist communism. With regard to this agreement, in my opinion there can be no doubt as to what we should do in the light of history.

We were often told in the past that if it had been made plain to German leaders before the outbreak of the 1914 war that they were going to find Great Britain arrayed against them, they would never have plunged the nations of the world into war. Certainly I believe it is fair to assume that had they known they would ultimately find ranged against them not only Great Britain but the United States as well, the 1914 war would never have taken place.

Coming now to the outbreak of the war in 1939, it was thought at that time that if Great Britain made it plain that if Hitler committed further acts of aggression against Poland there was no doubt where Great Britain would stand, it was hoped that would deter Hitler. Apparently Hitler was not convinced that Great Britain meant business. Also I think it is again fair to say that if Hitler had been sure that not only would Great Britain enter the war with the determination which she ultimately displayed, but that he would find the great power of the United States also ranged against him, he would never have started the war in 1939.

Surely we should learn from these events. If we who are opposed to aggression make it quite plain to the aggressor that we mean business and will stick together and fight against anyone who endangers the peace of the world, then it seems to me that in all probability war can be prevented. Therefore in our attempt to unify the western world we should thereby make it plain to the only

potential aggressor in the world today that if she starts a war she will find the entire western world unified against her. I believe that by taking this step we will be going as far as we possibly can in this field to ensure the peace of the world.

It seems to me that when communist groups in all parts of the world try to undermine the will and determination of the free world to unite in strength and common purpose and make their enmity plain, then it is quite clear where their interests lie. People who believe in freedom, democracy, and peace surely should not follow the lead of communist stooges, witting or unwitting, in this or any other country.

There is another feature of the international situation in which our government, under the leadership of the Prime Minister (Mr. St. Laurent) and the Secretary of State for External Affairs (Mr. Pearson), have played a very worthy part, and that is in their support of the efforts of the United Nations to help the economically undeveloped nations, particularly in the Far East. I do not believe there is any doubt that rather than starve to death people will fight and it should not be overlooked that force will not indefinitely maintain world peace if it is not established on justice and fair play between one section of mankind and another.

I therefore strongly support the policy of the United Nations designed to assist economically undeveloped nations so they can increase their own productive capacity, for I am convinced that such schemes will assist in the preservation of world peace. Canada, by her support of such United Nations schemes, and also the Colombo plan, is assisting materially toward that end, and I believe Canada has played a very worthy part in all these programs.

A proper attitude toward the less fortunate people of the world is a very important feature of the struggle for peace. They are fellow human beings. We do not want them to swamp us by coming into this country in too great numbers, but we certainly must help them to increase their production and allow their exports into this country in sufficient quantities to buy enough food so their people shall not starve to death.

It is a question of whether we would rather trade than fight. On the ground of simple Christian fair play, or on the ground of self-interest, it seems to me that we should be prepared to reduce the barriers to trade, and permit those people to obtain the wherewithal to feed their teeming populations. It seems to me that Canada's work along that line has been extremely worthy. She has taken the lead in promoting the elimination of the barriers to trade.

I might say it appeared to me that one of the bases of the opposition criticism was that the government had gone too far in that respect, and that we should be processing more of our raw materials at home. That was the basis upon which Sir John A. Macdonald got his nationalist policy accepted, namely that we should cease to be hewers of wood and drawers of water for the United States. The only way we could process more of our raw materials in this country is in some way by quotas or tariffs to protect the industries which might process those raw materials. If we begin to put on quotas and protective tariffs, then of course we lose any influence we have in promoting the expansion of trade. Other nations will begin to do the same thing.

I think the United States today is at her period of great decision in that respect. The United States today has assumed political world leadership, but she must assume economic leadership if she is going to carry through to success the political leadership she has assumed. About 100 years ago Great Britain realized that, as the great commercial centre of the world, she had to open her markets and throw down her tariff barriers. By that move Great Britain became tremendously prosperous. She also gave leadership to a great expansion of prosperity in the whole world. The United States is much greater and more powerful today than the Britain of 100 years ago. It seems to me that although there would be some dislocation, the United States could follow the policy that Great Britain followed 100 years ago.

This would stimulate the development of all countries of the world. It would allay much of the fear that exists today; because many people, even today, who have access to United States markets fear to rely on them too much, because they do not know when the United States may change their policy and plunge them into chaos in their trade relationships. If the United States could make up her mind that she was definitely going to follow the policy which her great President today is asking her to follow, namely to enable nations to expand their trade with her, to buy her production with their production, it would start the world on the road toward greater prosperity, and would ensure that we would not embark on the policy on which the nations of the world embarked in the 1930's.

When I see the world today, ten years more or less after the end of a great war, reaching about the same stage we reached about ten years after the first war, with the dislocations that follow a war, the getting on their feet of various nations, the pressures beginning to build up through unemployment developing in various nations, pressure upon their governments to put on tariffs or trade quotas or in some way to interfere with trade; when I see that situation developing in various parts of the world today, I wonder if mankind must go through what they went through when they followed a policy of economic nationalism ten years after the end of the first war. We are just reaching that stage today. I hope the great leader of the world today, the United States, will be given the vision and wisdom not to begin to tread the road that was trodden in the 1930's, with all that will result therefrom.

One of the things I hold much to the credit of the present government is that they have steadfastly held to that course of promoting trade, in spite of pressure not only from outside their own ranks but from within; and they are going to have more pressure put upon them. I say this. If the Canadian government wavers in its devotion to that policy of trying to promote freedom and expansion of trade, then they might actually tip the scales when a real fight in that regard is coming to a decision in the United States.

Who can say to what extent the government of Canada, by adhering to the policies and the principles which all governments should have learned from the experience of the 1930's, may influence others? If the government adheres, as it has in the past, to the right policies, who can say to what extent she may have a decisive effect upon the decisions made in the United States and ultimately upon the whole course of world events? If they make a mistake or listen to some of the pleas to interfere with trade, others will do the same thing, and the whole sad story will start all over again.

I want to say to the government that I appreciate the way they have handled the situation thus far. For that reason alone it seems to me that they deserve the support and the approbation of this house and of the country.

I should like to say a few words with regard to the development of this country. At a time like this there is bound to be a measure of readjustment leading to a certain amount of unemployment. There is bound to be difficulty with regard to trade. But the question is this. Has the situation worked out in this country as well as or better than it has worked out in any other country in the world? We are looking to the United States as an example of what can be done in the way of great development, but what is the record of Canada under the leadership of the present government? Our total gross national product in 1937 was something over $5 billion. In 1954 it had risen to $24 billion, an increase of almost 400 per cent. We think of the United States as going ahead by leaps and bounds with regard to population. But what is the great record of our own country? Since 1945 Canada has increased in population by 19 per cent while the United States has increased by only 12 per cent. Is that not something of which Canadians should be really proud?

During that period we had one of the unique experiences in modern times, that of a great free people deciding by vote to throw in their lot with us. Certainly that is a great achievement of the government of Canada, in that they were able so to conduct the affairs of this country in the previous 15 years that when the time came for Newfoundland to decide whether she would complete confederation, she felt that our country had showed that it was in such good hands, had such good fiscal, economic and other policies and standards, that she could safely join her lot with ours. It seems to me that is something of which the Canadian people may well be proud. They have joined us not by reason of force or pressure exerted on them, but by deciding that they should join their forces with ours. It seems to me that fact speaks volumes for the sort of government our country has enjoyed during the last 15 or 20 years.

If you wish to refer to the rise in the actual standard of living in Canada, you will find that it rose by 13·3 per cent from 1945 to 1952. In the United States during the same period the rise was 15·4 per cent, or a little more than ours. As to the gross national expenditure, or the proportion of it spent on capital development—and we sometimes think Canadians do not spend enough of their savings in developing their own country—in 1952 the proportion in Canada was 18 per cent, and in the United States it was only 14 per cent. The confidence that ordinary Canadians had in the soundness of the future of Canada was marked by the fact that they were willing to invest almost $1 out of every $5 in the development of Canada. That is one of the reasons we have forged ahead as we have.

During that time, under the leadership of the present government, we as a country have not forgotten the weaker members of society, as is shown by the various social welfare measures that have been enacted. Of

measures taken, undoubtedly one of the most important was the one making it possible for the provinces to carry out their constitutional obligations. There is no use in a province having certain powers if it has not the financial means of exercising those powers. A province like Saskatchewan could not possibly give the standard of education, the standard of health, or the standard of roads that could be given by a province like Ontario, with means of reaching the great sources of wealth in the great corporations in that province. With our own provincial resources alone we could not possibly establish, with regard to education and health, a standard of citizenship that could compare with that which could be established in Ontario.

This government recognized that there could not be first-class and second-class citizens in Canada, that all provinces had to be given the means of providing a minimum standard of education, a minimum standard of health and a minimum standard of the other things that the provinces should supply. So they embarked upon these financial agreements.

These agreements mean a great deal to the province of Saskatchewan. Of the money spent by the government of Saskatchewan about 40 cents out of every dollar comes from the federal treasury, and there is no doubt that Saskatchewan could not maintain some of the programs of which it is so proud if it were not for these financial agreements.

Mr. Ellis: May I ask the hon. member whether other provinces do not get the same deal from the federal government?

Mr. Tucker: I am dealing with the contribution the federal government has made to this whole program, and I am speaking about Saskatchewan because I know it best. I am not making any suggestion that the federal government has favoured Saskatchewan, but I do say that Saskatchewan of all provinces is probably as much in need of this program as any other province, certainly far more in need of it than Ontario, Quebec or British Columbia. As a matter of fact, now that my attention has been drawn to it, one of the things about which I find fault with the present government of Saskatchewan is that the premier there takes great credit for the hospitalization scheme. for example—

An hon. Member: Hear, hear.

Mr. Tucker: —and for other things that have been done, none of which would have been possible in the absence of the financial agreement without crippling taxation that would have prevented any development in our province. One of the things I have said is that when the premier is taking credit for all these programs he should at least say that in part at least they have been helped to do these things by the program of the federal Liberal government.

Mr. Ellis: Will the hon. member permit a question?

An hon. Member: Sit down.

Mr. Speaker: Order.

Mr. Tucker: These agreements were most essential. They have been recognized as essential by other governments, but particularly by the government of Saskatchewan. One of the things that must have worried people who realize this and understand anything about politics was that when an important part of the country such as the province of Quebec was getting no benefit from such a financial program, there would be constant fault found with that program, and some shift in political support might mean that the program would be endangered.

That was regarded as very serious by the government of Saskatchewan. I know hon. members will be very surprised to learn that one of the main arguments of the premier of that province in the last federal election was to this effect. He said, "There is no danger of the present government being defeated and the financial agreement being endangered because there is no chance whatever of the St. Laurent government being beaten. You can safely vote C.C.F. The Liberals will still be in power. You will still have all these different measures that you want to keep, but by voting C.C.F. you will show that you are not quite satisfied and would like a little bit more."

There is no question but that was the main argument of the premier of our province and it showed what importance he placed upon these agreements. Our Prime Minister (Mr. St. Laurent) found that it was thought by the province of Quebec that these agreements did not fit in with their conception of confederation. In this respect, Mr. Speaker, I would draw particularly the attention of the people who have been finding so much fault with the province of Quebec to something that should never be forgotten. If our compatriots of French-speaking origin had not been willing to join in bringing about confederation, if they had not been willing to trust their fellow citizens of English-speaking origin, confederation would not have been possible. Canada would never have become a country.

Mr. Noseworthy: An original idea.

An hon. Member: Sir John A. Macdonald.

Mr. Tucker: That is one reason I say that the pact of confederation embodied in the British North America Act must be lived up to in the letter and the spirit. The hon. member mentioned Sir John A. Macdonald. If Sir John A. Macdonald had not been willing to go forth and meet some of the requests of the leaders of French-speaking Canada, confederation would not have been possible either. Yet these people find fault with our present great leader because he went forth to meet the premier of Quebec in order to bring about a satisfactory settlement of this important foundation of the continuation of confederation, when as a matter of fact he was just carrying on in the great traditions of great leaders of Canada of the past.

I say it ill behooves any member of the C.C.F. party, whose only provincial government in Canada depends almost for its very existence upon the continuation of these agreements, to find fault with our leader for going to Quebec and trying to work out an arrangement whereby Quebec will come into this scheme and be satisfied with it. It is only on that basis, Mr. Speaker, that we can be sure these financial agreements are a part of our confederation set-up; and the present Prime Minister, in going as far as he could to try to work out some satisfactory arrangement with Quebec, has helped to complete that foundation.

I say that far from the people of Canada being humiliated, as was said by a member of the C.C.F. party in the house, by the Prime Minister going to meet the premier of Quebec to try to work out some sort of satisfactory arrangement that would give them a chance to share in this program together with the rest of Canada, the people of Canada will honour, as I do, that willingness to serve which does not stand upon false dignity but goes out to try to do the best it can for the country. Surely that is in keeping with the teaching in which we nearly all believe; he who would be a leader amongst you, let him be the greatest servant of all. Is it not something that we have a prime minister who, when he sees a chance to get this matter settled in the interests of Canada, says, "Certainly I will go and meet you and talk with you."

I know that the socialists, particularly the socialist leaders in Great Britain, have praised Winston Churchill because he has said that in order to try to promote the peace of the world he will go any place and meet anybody. Yet they find fault with our Prime Minister because he is willing to go to meet a fellow Canadian to work out a common Canadian problem.

[Mr. Noseworthy.]

There were two items in the speech from the throne with which I was very pleased indeed; because after all, as has been pointed out, the Liberal party step by step has brought in a program of social welfare that is not excelled by any country in the world. The standard of living of the average individual in Canada is just as high as in any country in the world. The standard of living of the older people, the people who need help from the state, is not excelled in any country in the world. This has been brought about step by step by various measures as the people have been willing and able to pay for them.

One such measure that will be brought into effect during this session is the provision of pensions for the needy, totally disabled. I think every member of the house will be pleased to vote for that, and I would be very surprised if the Social Credit group voted against it for fear of it being branded as a socialist measure.

Of course I do not accept the argument of the hon. member for Macleod for a single moment. I suggest that it is basic Liberal policy to promote social welfare. As you promote development and expand your national income by a system of controlled free enterprise, there is more chance of doing something for the needy and helpless than by hampering development by attempting to get the utmost out of what might be regarded as equitable distribution. Surely we can do more by increasing our gross national product from $5 billion to $24 billion; surely we can do more for the old, the unemployed, the helpless and the blind by such an increase in our gross national product than we can by any system of very refined distribution. As I see it, that is the answer of the Liberal party to socialism. It hampers development which is the basis upon which one can really improve the lot of the needy by concentrating too much on distribution. Another measure about which I was very pleased to see a reference was the proposal to improve the position of those receiving the war veterans allowance

Before I conclude, however, I should like to deal with a problem facing western Canada today. As you know, in 1939 the Prairie Farm Assistance Act was passed under which the farmer contributes one per cent of the receipts from the sale of his grain. This is collected by the federal government. In the case of crop failure, payments are made to the farmers.

At the time that act was passed the farmer received about 57 cents per bushel for his wheat, on an average. The levy of 1 per cent meant that the federal government collected about half a cent per bushel. For

the last eight years the federal government has been collecting, under this 1 per cent provision, 1·6 cents per bushel on an average price prevailing during that time of $1.63. This is almost three times as much as it had been collecting when the act was passed.

The difficulty is that the payments to the farmers remain practically as they were when the act was passed, with the maximum payment being $500. Today $500 will not go even half as far as it would when the act was first passed. This payment was supposed to enable the farmer to put in his crop and tide himself over to the following year. It was not too generous an allowance to do that. Today, when the dollar does not go nearly as far, of course this payment does not do what the act was originally designed to accomplish.

The actual costs the farmers must pay to live and carry on their occupation have risen to an extent indicated by the fact that taking the index for the base period 1935-1939 as 100, the figure today is 225. In other words, it takes $225 today to do the work that $100 would have done in the period 1935-1939. Today, therefore, $500 will not do as much as $250 would do when the act was first passed.

Here is the situation. For the last eight years the government has been collecting almost three times as much per bushel as when the act was passed, and when a crop failure comes along, as it did last year, the farmer receives in actual purchasing power less than half as much to tide him over until the next year.

Mr. Knowles: Liberalism.

Mr. Tucker: Of course; it was the Liberals who passed this act, and I hope they will improve it.

Mr. Ellis: Are they responsible for the cheaper dollar, too?

Mr. Tucker: So far as the cheaper dollar is concerned, if you people could have put your policy into effect the dollar would not be worth half what it is today.

The fact that the dollar will not go as far as it would 10 or 15 years ago has been recognized in other fields. Superannuation rates have been increased. Old age pensions have been doubled compared to what they were when first introduced. Pensions for war veterans have been doubled. The salaries of civil servants, I believe, have been more than doubled. When I first sat in this house members of parliament drew $3,600, and their salaries have been substantially increased. Unemployment insurance benefits have been increased.

The farmer says that when he has been paying into this fund for some time on the basis of an undepreciated dollar, under an act designed to carry him over in the event of crop failure, then he should have the same recognition that has been given to these other groups. This provision is something in the nature of unemployment insurance. The farmer believes this was a good act, and if it is going to do the thing it should do then he should be given the same purchasing power as envisaged by the act when it was first passed.

I am quite aware of the fact that the federal government has to put money into this scheme. Up to last fall they had paid out $144 million and collected from the farmers only $73 million. In other words they paid out almost $2 for every dollar collected. Somebody may ask, in view of this, why I am suggesting the payments ought to be increased. At the time the act was passed it was recognized that you could not have an actuarially sound scheme of this sort that would carry itself. The government deemed it wise to have a plan whereby, in the event of crop failure, the farmers could get some money to carry them over until next year out of a fund to which they had contributed, rather than have the government pay out money from public funds entirely by way of relief or agricultural assistance. Today I believe it is generally recognized as being much sounder to have a scheme whereby people contribute to a fund, rather than have the whole burden fall upon the national treasury.

This was a good act when passed. I suggest now that the payments be increased so that they will have the same value in tiding the farmer over as they had when the act was first passed. I am also aware of the fact that somebody may say, well, you are doing that only for the prairie farmers. I suggest that if the farmers in any other branch of agriculture are willing to contribute to such a scheme, it would be a good thing to give them the same protection as the prairie farmer receives. I feel that in every way that would be better than waiting until disaster strikes and having these people have to come to ask for something by way of agricultural assistance.

I feel that would be fairer to agriculture; because we recognize that agriculture, and particularly western agriculture, suffers from protective tariffs more than other industries. Some of the protected industries can look after themselves in the case of set-backs. Farmers, and particularly the prairie farmers, have never been in that position, except for

a few fortunate ones. It was recognized, therefore, that they should receive some protection like this as some compensation.

I would appeal to the government to give consideration at this time to increasing the payments under the Prairie Farm Assistance Act, especially since many of our farmers have had almost complete crop failures. This would not result in a loss to the economy as a whole, because over and over again it has been demonstrated that if you destroy the purchasing power of the farmers, particularly the western farmers, you begin to add to the lines of the unemployed in the rest of Canada.

The act is a splendid one, one of the finest ever passed. This is one way in which we could put that act, passed by a Liberal government in 1939, in a position to do the job it was able to do when it was first passed. We would merely be recognizing the change in the value of money. I make this suggestion in the hope that the government will recognize its merit, as it has so properly done in the many other fields I have mentioned.

Mr. William Bryce (Selkirk): In rising to take part in this debate, Mr. Speaker, I am taking it for granted that the leader of this group congratulated the mover (Mr. Leduc) and seconder (Mr. Carrick) of the address, so I shall not need to do it. I will say to the two new members that I hope their sojourn in the House of Commons will be as pleasant as mine has been over the years.

Now, I do not want to rehash the Selkirk by-election in any way, but I owe thanks to some people, for they certainly helped me in that by-election. My friend the genial Minister of Justice (Mr. Garson) spent some pleasant but ineffective days in the constituency. The Minister of Citizenship and Immigration (Mr. Pickersgill) found his mission equally fruitless. My good friend the parliamentary assistant to the Prime Minister certainly created some heat, but no light. Since the Minister of Agriculture (Mr. Gardiner) appeared only for a one-day stand, I accepted that as a polite tribute to a lost cause. I appreciated the interest shown by the Minister of National Health and Welfare (Mr. Martin) and the Minister of Trade and Commerce (Mr. Howe), but it is obvious that the statements made by these gentlemen carried no weight. Indeed, as I said earlier, they were of great assistance to me in winning the seat and therefore I do appreciate the co-operation they gave.

Many veterans' organizations, and others, have written me and come to see me personally making representations with respect to war veterans allowances. I feel I would be failing in my duty if I did not bring this matter again to the attention of the Minister of Veterans Affairs (Mr. Lapointe). These groups have requested me to draw the attention of the minister to the plight of the many veterans receiving benefits under the War Veterans Allowance Act.

However, since the beginning of this session the minister has placed a resolution on the order paper to deal with this problem. The different veterans' organizations are pretty well agreed on what they want for the veterans who have become old before their time. In many cases they are broken in health. These organizations ask that the allowance be raised to $60 for a single person and $120 for a married person, per month. Permissible income has been a serious complaint, and they ask that it be raised to $1,200 for a single man and $2,000 for a married man. I am pleased to note that the matter will be discussed this session, and I hope the minister will meet their demands.

The old age pensioner is still receiving $40 a month, and the pensioner between the ages of 65 and 69 is still subject to the means test. Surely we can find ways and means to increase this amount. Every day we read about some group or other getting an increase in salary, and many of those people are not in the low-income brackets. It has been announced that a bill will be introduced to increase judges' salaries, and other increases are going to be asked. Anyone who will look at the order paper can see them there.

In the recent by-election I visited many elderly people, a good many of whom were finding it hard to get along on $40 a month. About a month ago Val Werier, writing in the Winnipeg *Tribune*, disclosed some alarming facts concerning the living conditions of elderly citizens in Winnipeg. Not only is this happening in Winnipeg, but it is also found in other cities, in fact right across Canada. I have clipped from the Montreal *Gazette*, a city far removed from Winnipeg, which is as follows:

> An 80-year old woman found near death from malnutrition in a shabby one-room apartment on Aylmer street, is slowly being nursed back to health in St. Mary's hospital.
>
> Weakened by a diet that afforded her no more than tea and toast, the woman was taken to hospital in an ambulance. She had lived in the apartment since her husband died of cancer six years ago. But of her $40 old age pension each month, $35 was taken to pay the rent. The remainder, $5, bought a month's supply of food.

That is a deplorable condition for such a fine country as this, and we should be able to do something to relieve it. I know the general opinion on the government side is that we cannot afford an increase at this time. But I have lived through three wars—the South African war, world war I and

world war II—and I know we were always hard up before those wars. No one had any money; but when war was declared we could find all kinds of money.

A former minister of finance—I believe it was Mr. Dunning—when he sat over where our Minister of Finance (Mr. Harris) now sits was asked by one of the members of this group to set aside some money for unemployment relief early in 1939. What did he reply? He said, "Does my young friend think that money grows on gooseberry bushes?" But remember this; that when war was declared in 1939 the government found the gooseberry bushes. They found the money to buy armaments.

Our old age citizens are far more important than armaments. Perhaps I do not need to tell the Minister of Agriculture (Mr. Gardiner) the plight of the interlake farmers at the present time. He was out there, and I know from past experience that when he goes anywhere he looks into things like this. I give him credit for that. It would have pleased me even more if it had been possible for the minister, when visiting the constituency of Selkirk, to go back 60 or 70 miles farther north to see conditions there. I know the Minister of Justice knows the district very well, because he spent many years up there, in one way or another.

Some hon. Members: Oh, oh.

Mr. Bryce: I did not say anything about by-elections. I hope the minister will not take any political meaning from my observation, because I did not mean it that way. Those three lakes, namely lake Winnipegosis, lake Manitoba and lake Winnipeg, are now 4·7 feet above normal level. Many of the farmers there had practically no crop last year or this year. Livestock farmers have not been able to cut hay, because the hay land was all flooded. They found great difficulty in obtaining feed. Along lake Winnipeg the situation is very bad; and it is no better at lake St. Martin, because at that point the provincial government has had to move people to higher ground. When I left, the farmers on the west shore of lake Winnipeg were taking the matter up with provincial authorities who, I believe, will appeal to Ottawa for some help. I hope their request when it comes will not fall on deaf ears.

It has been suggested that the administration under the Prairie Farm Assistance Act should do something about this condition, but it does not operate in that district. It only goes so far north. There has been some talk already that the P.F.A.A. does not look after flood conditions. I have had many letters from men in these districts who have been hard hit. I will not take the time of the house to read any of these letters; they are all similar—practically no crop in 1953, no crop in 1954, no cash income, no credit. How are these folks going to live until the spring comes? I want to appeal to the minister now to do something for these people who are facing starvation.

It is most unfortunate that New Zealand should be sending 2¼ million pounds of cheese to Canada when Canadian farmers have 10 million pounds of surplus cheese to sell now. I know there is more to the cheese shipment than the average man knows. It has been said that New Zealand is paying a tariff of one cent per pound and that New Zealand had a gentleman's agreement with Canada not to send any cheese for a certain period. That agreement has now expired. Perhaps the Minister of Trade and Commerce or the Minister of Agriculture will tell us what goods New Zealand is taking from us in this trade. We can then judge for ourselves if it is the proper thing to do, to bring in 2¼ million pounds of cheese when we have a surplus of 10 million pounds. I know in some districts of Manitoba the only revenue the farmers have is the little money they obtain from the sale of milk going into the cheese factories; and we are destroying that.

I was pleased to hear the Minister of Finance (Mr. Harris) say the other day in answer to a question asked by my colleague on my right, and I quote from page 185 of *Hansard:*

> I am not aware of there being any complaints about the manner in which these collections are made, but I can assure the hon. member that the officials who administer the acts will bear in mind the terms of the acts and the spirit parliament had in mind in passing them.

I can assure the minister that there had been complaints from Manitoba, and from my own constituency. I do hope that the assurance of the minister will correct this situation.

Farm income has dropped tremendously. In Toronto the price paid for cattle dropped from $36 per hundredweight in August, 1951 to $22 per hundredweight in August, 1954, a drop of 40 per cent. But in the same period the retail price of round steak dropped only 20 per cent, from 94 cents to 73 cents a pound. The farmer who is taking this considerable loss of practically 50 per cent of his income finds his costs going up. I made it my business to attempt to find out

the latest costs and I find that this is what they are up as from 1949 to August, 1954, the latest figures I could get:

	per cent
Taxes and interest rates	21
Farm wages	19
Farm machinery	25
Building materials	30
Gas, oil, etc.	9
Farm living costs	17
Equipment and materials	12

There is a great deal of dissatisfaction with the marketing of livestock across the country. Two of the provinces are seeking to set up livestock marketing boards. With costs going up and prices coming down the farmer is getting quite a squeeze. When the farmer sells his cattle he finds they may go into about eight different grades. In these grades you have choice, good, medium and common. Grading is not done by a government grader but by the buyer. What may be No. 1 on Monday on a short market may be No. 3 on a plentiful market on Wednesday. This fluctuation is not good for the farmer. All or most of the cattle find their way to the retail butcher shop as red, blue or commercial beef. The consumer does not always get what he wants. This is what the *Globe and Mail* has to say:

Dishonest Grading

Guelph, June 7—Eastern Canadian housewives are ignorant of beef quality and as a result they are handed whatever their vendor likes to give them, Professor E. Stillwell of Ontario Agricultural College told a gathering of 500 Shorthorn breeders and their families at a demonstration of beef grading at the college here today. Producing 12 cuts of beef, he told his audience that they were purchased in various parts of Ontario as choice prime cuts, at prices ranging from 65 to 79 cents per pound, in the past few days. Not one cut could be called choice prime beef.

In no instance was any of the team of purchasers, sent out under the auspices of Professor Knox, head of OAC animal husbandry department, and the Ontario Shorthorn Association directors, able to purchase red or blue ribbon beef, first and second grades respectively. All the beef purchased was of commercial quality, some of it very poor.

Last week top steers at Winnipeg sold for $21, the average for the week being $19.96. Last week top steers at Toronto sold for $22, the average for choice steers being $21.73. So we had cattle selling from a top of $22 to as low as $6 for canners. But all this meat finds its way into the butcher shop. By the way, canners were selling at Winnipeg for less than that; there were canners sold in Winnipeg last week for five cents per pound. We said we would never go back to cent cattle, but if you take the valuation at today's dollar you find that five-cent canners are pretty near the cent cattle that we had in 1932.

I was delighted to hear the Minister of Agriculture say the other day, when answering an hon. member, that he had a bunch of hogs himself. I am glad of that because it may mean that he will be more sympathetic to me now than he was previously, because I have always had a grievance to offer in connection with the hog business.

Let us look at the hog business today. We have government graders, and there are different grades. We have select hogs B1, B2, and B3, and we have C hogs and D hogs; then we have lights, heavies, extra heavies, No. 1 sows and No. 2 sows, or 10 grades in all. But what does the housewife buy in the butcher shop? The answer is pork and bacon. You never hear of a housewife going into a butcher shop and saying, "I want a pound of No. 1 sow." I supported the minister before I came to this house and after my arrival here in the grading of hogs because I believed it to be a good step. But eight of these grades are detrimental to the farmer today, and without such a grading system the farmer could obtain more for his hogs.

I would also like to draw the minister's attention to the hog that was a little too greedy at the trough and weighs 186 pounds instead of 185. This means that the farmer loses $2 of the bonus and also $1 on the price. In other words he takes a $3 trimming on that one pound of pork. I brought this to the minister's attention before, and no doubt he has had a similar experience. I believe this is something that should be corrected. I am quite certain the minister does not wish to penalize the man who has a hog which is a pound too heavy, so that he thereby loses $3.

Mr. Gardiner: I lost more than that on one myself.

Mr. Bryce: But perhaps you could afford it.

Mr. Gardiner: No, I could not, but I could have avoided it by delivering him five pounds lighter.

Mr. Bryce: The minister is the last man to complain about this, because he introduced the regulation. This is a serious business, and I think the minister should do something to rectify it. The hogs should be weighed on a graduated scale and instead of taking $3 when they are overweight it could be reduced to about 50 cents, because nothing will convince me that a 186-pound hog does not finally end up in the bacon trade.

There is one other thing I would ask the minister to do, and that is to give serious consideration to the establishment of a national livestock marketing board. Such a board should have been established a long

time ago, and I believe the farmers of this country are beginning to realize that we must have it. What has taken place within the livestock industry over the past two years is nothing short of a tragedy, because there has been a 50 per cent drop over that period. But the farmers' costs have not dropped. The average price of beef cattle going through the Winnipeg market this year is around $130, but three years ago the average price was $260. It will therefore be seen that the price of beef cattle has been reduced by 50 per cent over the past two years.

On the other hand we find that over-all production costs increased by 8 per cent over the same period, thereby constituting a total loss to the farmer of almost 60 per cent. The latest available information indicates that the situation might become even worse. I fail to see any reasonable justification for the drastic reduction in the price of beef to the producer. Certainly it cannot be argued that such a slump in producers' prices can be attributed to any oversupply or surplus, because we had only 5 per cent over and above our needs, and only 5 per cent was exported. The September 1953 issue of the current review of agricultural conditions states that the Canadian people consumed 95 per cent of the total amount marketed, and only 5 per cent was exported during the first seven months of 1953.

Those figures show that we are not producing more than we can dispose of, and should prove beyond the shadow of a doubt that there is no possible reason for the decline in livestock prices. If supply and demand have something to do with prices, as we are constantly led to believe, then the price of beef cattle should be increasing instead of going down because livestock production is constantly decreasing in direct ratio to the increase in population. At the beginning of the century the cattle population was 1,200 per 1,000 inhabitants. In 1954 it was only about 750. Our cattle population is therefore decreasing, and as long as the present system of marketing livestock is continued the producer will inevitably receive inadequate returns from the sale of his products.

The concentration of price competition among packer-buyers works to the disadvantage of the farmers. In this connection I would like to put on record a statement concerning the Stevens report:

> In the Stevens report on price spreads (1934) uncontradicted evidence was submitted that after the formation of Canada Packers there were consultations between Swifts and Canada Packers before the market opened each day on the prices to be paid for livestock. Further evidence submitted revealed that there was a singular absence of competition for cattle among the larger packers' buyers either on the ranch or in the stockyards. Prices quoted by one large firm would not be raised by any other packer-buyer. In this way the livestock producer was exploited.

I appeal to the Minister of Agriculture (Mr. Gardiner) to give serious consideration to the setting up of a national livestock marketing board.

Mr. Raymond Bruneau (Glengarry-Prescott): Mr. Speaker, differences of opinion have been and still are one of the sacred rights of democracy. This is especially true in a deliberative assembly such as this. During the present debate on the address in reply to the speech from the throne hon. members have fully exercised their right to differ.

I do not intend to add much to what has already been said during the course of this debate, but I feel it is my duty to submit some of the views shared by my constituents in Glengarry-Prescott, with particular reference to the speech from the throne. But may I first be permitted to sincerely congratulate the hon. members for Verdun (Mr. Leduc) and Toronto Trinity (Mr. Carrick) on the magnificent oratory they demonstrated in proposing and seconding the address in reply to the speech from the throne. I am sure that they both expressed the thoughts of the Canadian people at large.

We all noticed that, while dealing mainly with general policy, the speech from the throne made clear the constant care of the government for the betterment of the welfare of the Canadian people, through a policy based on social security and economic stabilization in our country as well as in the rest of the world.

Once again the government is showing its broadmindedness in bringing this house and the people of Canada at large to consider the problem presented by the frame of a universal community growing smaller every day. Unfortunately Canada, as a growing nation, has not yet the facilities with which to measure itself with many of its elders in the cultural field. That is why I feel justified in deploring the fact that the government is not yet ready to implement the recommendations of the royal commission on arts, letters and sciences. The proposed establishment of a council on arts, letters and sciences is of great interest to the youth of Canada in general and, as I see it, is a logical evolution toward a federal department of youth.

Solving the immediate problems and needs is evidently one of the main things the government must keep in mind in laying down their policies. But one must not forget that we are now working for the future, actually for the generation which will be called to lead the nation tomorrow. I know

it is the intention of the government eventually to create such a council and such a department, but I sincerely believe that each day and each month that such a move is postponed is a delay in allowing our young people to develop their talents in a way to enable them better to serve a better Canada.

As much as my constituents are aware of the necessity of furthering the cultural and physical development of the younger generations, they are also quite appreciative of the laws introduced to improve conditions among the farm and industrial workers. As you know, Glengarry-Prescott is of dual composition not only in name but also in the activities of its population. Farming and industry are its two components, and both these groups looked at the speech from the throne with a mixture of satisfaction and anxiety.

The majority in Glengarry-Prescott is made up of people of the agricultural class, and my constituency now ranks among the largest cheese producing constituencies in the world. Our dairy farm owners, I am sorry to say, were greatly disappointed over the absence from the speech from the throne of any mention of added help to solve the acute problems faced by them. But they are even more worried over the importation into Canada of some 2¼ million pounds of New Zealand cheese. With the millions of pounds of Canadian cheddar cheese at present in storage, the people I represent in this house are at a loss to understand why such authorization was granted.

Eastern Ontario—and for that matter a good part of eastern Canada—is aware of the difficulties our cheese producers have gone through during the last two or three years, with regard to the marketing of their product. Let me tell you, Mr. Speaker, that we had to go through a great many interviews in order to secure a reasonable price for that commodity. Now every spring the farmers of my constituency and in that region are in anguish and doubt as to the price that will be secured through the marketing of their product. I should like to see this government place this commodity under import control while we have a surplus on hand. I hope we shall see to it that this New Zealand cheese does not add to the already heavy burden on our local farmers.

That two-way trade should be promoted to ensure markets for Canada is an already accepted theory. But that this practice should be implemented particularly by means of one of the products which we have in surplus is something that is not as easily understood. If it is necessary to accept this importation of New Zealand cheese in order to maintain the balance of trade between our country and New Zealand, may I suggest that we could possibly exchange part of our surplus cheese or the whole of the imported cheese under our Colombo assistance, for example. It would be a way of counteracting the bad effects of such an importation, and would also be a way of relieving our dairy producers of their annual fear with regard to the marketing of their product. At this point may I also suggest that federal subsidies would be especially welcomed by the hard-pressed cheese producing industry, and that they would also help to maintain the stability of our national economy as a whole.

As regards help to certain groups of the population, in the speech from the throne I notice that it is the intention of the government to provide facilities for loans to fishermen similar to those provided to farmers by the Farm Improvement Loans Act. This is a commendable move, but the farmers would also appreciate it if the facilities extended to them by the above-mentioned act were increased in such a way that they could benefit from higher loans at a lower rate of interest. At present it is felt that the conditions laid down for the securing of a loan are altogether too hard to be met by the average farmer, and that in most cases the obtainable loans are not sufficient for the purposes to be served. By reconsidering the amount and the interest rates with regard to loans to farmers, I am sure the government would not only greatly help the farming industry but would also help itself.

Mr. Speaker, I have taken this opportunity to stress a few of the problems of the cheese producing and farming industries, for two main reasons. The first is that I am one of those who still believe agriculture to be the most stable element of the Canadian economy. The second one is that I represent a riding made up mainly of people of the agricultural class. Nevertheless, Glengarry-Prescott also has a large portion of its population directly engaged in industry. That being so, they are fully aware of the fact that employment is of paramount importance at the present time.

I was also glad to see that one of the highlights of the speech from the throne was aimed at providing more employment through a new scheme of federal public works. It is agreed that the present unemployment is seasonal and temporary, but I feel that the government were well advised in laying down a program to relieve the tension voiced from certain quarters.

Mr. Speaker: Order. Does the hon. member wish to adjourn the debate? It is now ten o'clock. Unless he obtains unanimous consent to complete his remarks, I cannot allow him to proceed. If he were about to conclude—

Mr. Bruneau: If I had unanimous consent to go on for two minutes, that is the most I would require.

Mr. Speaker: Is it agreed that the hon. member has unanimous consent to continue?

Some hon. Members: Agreed.

Mr. Bruneau: In this respect may I point out that Glengarry-Prescott is the logical geographical centre for a federal building. Such a building is actually much needed in our constituency. Besides providing work for many of our local labourers, such a project would enable the government to save money in the long run by moving under one roof services like the post office, the offices of the national revenue department, the unemployment insurance commission, the Department of Agriculture, the Royal Canadian Mounted Police and so forth.

As you are aware, Mr. Speaker, the riding I represent is not only located halfway between the metropolis and Ottawa; it lies exactly between the two main waterways, the St. Lawrence river and the Ottawa river. This geographical factor should undoubtedly constitute a strong argument to persuade the Canadian government to select a centre in our region as a suitable federal zoning area. On the other hand, convinced that their municipality could provide a logical site, the people of that region rejoice at a recent opinion that Canada has now reached a point where heavy industry should be decentralized. Geographically and ethnographically we enjoy first-class industrial activity, but there is room for more factories. Allow me also to inform you, sir, that our working hands are "tops". I and my constituents feel that such a policy of industrial redistribution cannot be successfully achieved with these thriving municipalities left out of the picture.

I am well aware of the fact, Mr. Speaker, that important measures announced in the speech from the throne have to be studied with diligence and voted upon. Finally may I say that the speech from the throne offers a rather substantial program of measures, and I believe it should give the average man the feeling that Canada is really going forward under a progressive and competent government.

Mr. Studer: I move the adjournment of the debate.

Mr. White (Hastings-Frontenac): I move the adjournment of the debate.

Mr. Speaker: There appears to be a slight conflict here. As the hon. members concerned know, to accommodate members there are certain agreements in the debate on the address that are usually adhered to. I am sure the hon. member who moved the adjournment first will yield to the hon. member for Hastings-Frontenac in order to adhere to the arrangement which was made, by virtue of which it was understood prior to this hour that the hon. member for Hastings-Frontenac would adjourn the debate tonight because he was going to follow the hon. member for Glengarry-Prescott. Is that agreeable to the hon. member for Swift Current-Maple Creek?

Mr. Studer: I am agreeable.

On motion of Mr. White (Hastings-Frontenac) the debate was adjourned.

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

HOUSE OF COMMONS

Wednesday, January 19, 1955

The house met at 2.30 p.m.

POST OFFICE DEPARTMENT

REFERENCE TO ACCUSATIONS AGAINST DEPUTY POSTMASTER GENERAL

On the orders of the day:

Mr. Leon Balcer (Three Rivers): Mr. Speaker, I should like to direct a question to the Postmaster General. Has the minister read the speech made yesterday by the hon. member for St. Boniface (Mr. Viau) during which very serious accusations were made against—

Some hon. Members: Order.

Mr. Balcer: —the deputy postmaster general, and what steps will he take to make certain that such behaviour ceases immediately?

Mr. Dufresne: That is a good one.

Hon. Alcide Cote (Postmaster General): Mr. Speaker, unfortunately I was not in the house when the speech referred to was made, and I have not yet had time to read it. I will do so and thereafter will be in a position to decide if a statement should be made.

HOUSING

REPORTED RESTRICTION ON LOANS ON HOUSING NEAR AIRPORTS

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I would like to ask the Minister of Public Works a question. Can the minister enlarge upon the report that Central Mortgage and Housing Corporation is currently refusing to approve loans on housing located within a one mile radius of airports?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I may say that each request for a loan is treated on its individual merits, but if I may take this question as notice I will be glad to answer it more fully at a later date.

PUBLIC BUILDINGS

WINNIPEG POST OFFICE—INQUIRY AS TO CONTRACT

On the orders of the day:

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I would like to answer the second part of the question asked yesterday by the hon. member for St. Boniface (Mr. Viau), which I did not hear. He was referring to the proposed Winnipeg public building and asked:

Second, would he confirm or deny that the Foundation Company of Canada made a further request for a grant beyond the firm price agreed upon in the fall of 1954?

The answer is that to the best of my knowledge and to the best knowledge of the officials of the department, no such request has been made.

NATURAL GAS

PROPOSED PIPE LINE FROM ALBERTA TO EASTERN CANADA

On the orders of the day:

Mr. Carl O. Nickle (Calgary South): Mr. Speaker, to clarify rumours now current, would the Minister of Trade and Commerce state whether it is now the intention of the government to facilitate the financing of the all-Canadian gas pipe line by a government guarantee of principal and interest of bonds issued by the pipe-line company?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the government has taken no action along that line. If and when action is taken I shall be glad to make an announcement.

GRAIN

CANADIAN WHEAT BOARD—HANDLING OF FLAX AND RYE

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Has the government received any request to have the Canadian wheat board handle flax and rye in addition to those grains already under

the control of the board? If so, what steps does the government intend to take to implement this request before the new crop year?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the answer to the first part of the question is yes. Representations have been received from various farm organizations from time to time requesting the government to assume responsibility for marketing flax and rye. However, it has been the view of the government that the wheat board is fully occupied with its responsibilities in marketing the three major crops, wheat, oats, and barley, and it has not been disposed to ask the board to take on the two small crops of flax and rye. Officials doubt whether they could do a very much better job than is being done with those crops on the open market.

HIGHWAYS

POSSIBLE TRANSFER OF NORTHWEST HIGHWAY FROM DEPARTMENT OF NATIONAL DEFENCE

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, on Friday, January 14, I asked the Prime Minister if he had any information with regard to the possible transfer of responsibility for the northwest highway from the Department of National Defence to some other department. I wonder if he is now in a position to answer.

Right Hon. L. S. St. Laurent (Prime Minister): Yes, Mr. Speaker. I am sorry I did not state positively at that time that no such decision had been taken. I make that positive statement now.

CANADIAN PACIFIC AIR LINES

INQUIRY AS TO APPLICATION TO OPERATE TRANS-POLAR SERVICE

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, could the Minister of Transport say what has happened to the application of the Canadian Pacific Air Lines in regard to the granting of a licence to operate an air line in the trans-polar region, and when a decision is expected, if it has not already been given?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I might answer the hon. member by saying that the matter is under consideration, and I hope it will be possible to make a decision at an early date.

[*Later:*]

Mr. Diefenbaker: I want to ask a question supplementary to the one I just asked the Minister of Transport. Has any other air company made application for a route across the trans-polar areas or has any objection been raised to the granting of a licence to Canadian Pacific Air Lines, the objection being raised by Trans-Canada Air Lines?

Mr. Marler: The answer to both questions is no.

AIR TRANSPORT

INQUIRY INTO CRASH AT CRUMLIN, ONTARIO

On the orders of the day:

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I should like to reply to a question asked yesterday on the orders of the day by the hon. member for Eglinton (Mr. Fleming) regarding the recent regrettable air accident near Crumlin airport. His question was:

> Has the minister looked into two facts which have been reported in connection with this tragedy; the first being that there was a failure of power at the airport and no indication that there were in use at that time any auxiliary or mobile lights or such other equipment; secondly, that there was a delay of more than an hour before the stretcher party arrived at the scene of the accident from the airport?

Perhaps I might first mention that it was announced yesterday that a board of inquiry would be nominated within a few days to hold a public inquiry into the circumstances surrounding the accident. I do not wish to anticipate any of the facts that may be determined by the inquiry, but should like to give the house an answer to the questions raised by the hon. member.

From information received by the department, it is understood that the airport rotating beacon and obstruction lights were in operation continuously. The runway and runway approach lights are under a separate control system which is set up so that all runway and taxiway lights, plus one set of approach lights, may be turned on at the same time. The control system, however, is not intended to carry at one time more than one set of approach lights, because experience has demonstrated that this is a necessary safety measure. If more than one set of runway approach lights are on at the same time, pilots may be confused and use the wrong runway.

At 11.49 p.m. the pilot asked for all runway and approach lights to be turned on, presumably because of the urgent situation in which he found himself. In view of the special circumstances, and in spite of the control arrangements, all lights were turned on, but they stayed on for approximately one minute only and then a fuse blew out because of the overload on the system. The traffic

control officer on duty in the tower immediately called the senior controller, the airport maintenance foreman, the field radio technician, and then called the R.C.A.F. for crash and fire trucks. Trucks and other vehicles were lined up on one side of the runway, lighting it effectively, and the pilot of the aircraft was informed by radio that this had been done. The lights were restored at 10 minutes after midnight, having been out of operation for 20 minutes.

Hon. members will note that although the runway and approach lights were not in operation, the tower still maintained ground to air radio communication with the aircraft. Also the instrument landing system and the radio range were still in operation, providing a means by which an aircraft equipped with a radio and instrument landing facilities could make an approach to landing.

With regard to auxiliary lighting, I am informed that there is auxiliary generating equipment at the field. This, however, is designed to be used in the event of a general failure in the power supply to the airport. It is not the general practice here or in any other country to instal a complete duplicate set of airport lights.

In connection with the reference to time of arrival of the stretcher party, I am advised that the tower continued in radio communication with the aircraft until approximately one minute after midnight. At 5 minutes after midnight the tower telephoned the township and provincial police and a commercial ambulance. The airport did not know at this time the exact location of the aircraft. The department does not, of course, operate an ambulance service.

FISHERIES

VISIT BY MEMBERS OF PARLIAMENT TO TEST KITCHEN

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, as one of the more fortunate members of this house, alphabetically speaking, I should like to express to the Minister of Fisheries (Mr. Sinclair) and his staff my appreciation of the opportunity of visiting the test kitchen of his department today. I am sure those who were there with me will join with me in suggesting to those less fortunate members that, should they have a similar opportunity, they should by all means take advantage of it.

BUSINESS OF THE HOUSE

NOTICES OF MOTIONS AND QUESTIONS TO BE DEALT WITH MONDAY, JANUARY 24

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): On Monday the Acting Leader of the Opposition (Mr. Rowe) asked if arrangements could be made for questions and notices of motions for the production of papers to be called at some early date before the orders of the day are called. In view of the standing order with respect to the debate on the speech from the throne, if that debate is not completed it could be done only with the consent of the house. If the house agreed, I would suggest that it might be done on Monday.

Mr. Speaker: Is it the wish of the house that this agreement be adhered to?

Some hon. Members: Agreed.

LABOUR CONDITIONS

REPORTED LAY-OFFS AT DOMINION ARSENALS

On the orders of the day:

Mr. J. W. Dufresne (Quebec West): Yesterday I asked a question of the Minister of Defence Production with regard to lay-offs at the Quebec and the Valcartier arsenals. Is the minister in a position to give an answer today?

Right Hon. C. D. Howe (Minister of Defence Production): No. The information has not been furnished to me. I will try to have it tomorrow.

REDISTRIBUTION

REQUEST FOR STUDY BY HOUSE COMMITTEE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Secretary of State. Has he been made aware of the steps being taken in my province of Manitoba to set up an independent commission for the redistribution of provincial electoral constituencies? In view of a motion on this subject that was passed by the house last year, will the government consider arranging for a committee of the house to study that matter at this session so far as federal constituencies are concerned?

Hon. Roch Pinard (Secretary of State): Mr. Speaker, I was not informed of the attitude of the government of Manitoba to which the hon. member has referred. I will look into the matter, collect the necessary information and give an answer later.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, January 18, consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Rowe, and the amendment to the amendment of Mr. Coldwell.

Mr. G. S. White (Hastings-Frontenac): Mr. Speaker, in the traditional speech from the throne there are some matters on which I think all hon. members are in cordial agreement. There are three items to which I will refer. The first is the reference to the bringing into operation of the Disabled Persons Act, whereby assistance will be granted to totally disabled persons. Hon. members who come from the province of Ontario will be more or less familiar with this act which has been in force in Ontario for some time. I am sure all hon. members from Ontario will agree that in Ontario the act has filled a long-felt need. I trust that the contributions the federal government will make will be ample in every way.

The second matter in the speech from the throne on which I think all hon. members will agree is the provision whereby the age of eligibility for blind persons will be amended and the income ceiling will be adjusted. I am sure all hon. members are only too anxious that every possible assistance will be rendered to our more unfortunate citizens who are blind.

The third matter is the welcome announcement that the War Veterans Allowance Act will, after these long and weary years, be amended. I would say to the minister that I hope on this occasion when the act is amended he will not make the same mistake that was made several years ago when the act was amended. I wonder if the Minister of Veterans Affairs (Mr. Lapointe) would mind just for a moment giving me his attention. I should like to say this to the minister. When you bring in the act to adjust the war veterans allowance, I hope you will not make the same error that was made by your predecessor several years ago when this act was amended and when you made only a slight raise in the monthly compensation and only a slight adjustment in the ceilings. At that time the veterans committee and the government were urged in every possible way by all opposition parties that the monthly allowance be placed at a higher figure than $50 a month and, further, that the ceiling be much increased over and above the amount proposed in the act. I say that to the minister in all kindness because he realizes only too well that an act such as the War Veterans Allowance Act is only amended once in a good many years. If the same error is made this time, I fear that it will be a fairly long time before there will be any further change in this act.

I might point out to the minister that the same mistake was made by his colleague, the Minister of Justice (Mr. Garson), when some few years ago he brought in a bill to adjust the salaries paid to the members of the judiciary. He found that he made a mistake, and now he has to come back and do the same thing all over again. Therefore on behalf of these veterans, most of them from the first world war, I urge the minister that, when it is decided in cabinet council how much the increase in the allowance is going to be, he should be very generous and keep in mind that these veterans should not be restricted with a ceiling on their income but on the other hand should be urged in every possible way to earn as much as possible for themselves and their families. I have only one other suggestion. When the bill is introduced I would ask the minister if he would consider having the increase, no matter what it may be, made retroactive to at least the 1st of January, 1955.

I have received from the county council of the county in which I reside a copy of a resolution which they have asked me to bring to the attention of the Minister of Veterans Affairs (Mr. Lapointe). The resolution passed by the council of the county of Hastings reads as follows:

> That since, by the statutes of Canada, November 11th is designated as a public holiday, our government be urged to enact legislation that November 11th not only be declared a national holiday, but that it also be observed as such.

I can recall occasions in November when parliament has been in session and the House of Commons has continued to sit and conduct business just the same as any other day. There may be many in Canada who do not care or pay much attention to the significance of Armistice day, but at least to the veterans of the first war it means a great deal, and I would suggest to the government that the resolution of the county council be given attention.

It was suggested last session that at this session the Dominion Succession Duty Act would be amended, but there is no mention of it in the speech from the throne. I trust that amendments will be brought forward at this session because I am sure the government is aware of many unsatisfactory features in the present legislation. I will mention only one or two. One is that at the time the rate

of exemption was set the dollar was worth a great deal more than it is today. The other is that an estate is entitled to exemption up to $50,000 but if the estate exceeds that amount duty is collected on the whole amount. If there are to be amendments of this act I trust the legislation will be sent to a committee of the house for study and consideration. If so, there is another point that might well be considered by the minister, namely, that the exemption granted to a widow under the act should be raised considerably.

In the speech from the throne reference is made to unemployment and it is described as being only seasonal and regional. I have in my hand a long article from the Belleville *Ontario-Intelligencer* of January 17 which contains a long statement issued by the manager of the unemployment office at Belleville. The article is headed in large capital letters: "Employment Office Appeals to Residents to Get Repairs, Alterations of Homes Done Now." The article is two columns long. It states that in the Belleville office alone there are over 16,000 persons, male and female, registered for work. It further points out that the Belleville office does not service the whole county of Hastings, that the town of Deseronto is serviced by the Napanee office and that the west half of the township of Sidney, which contains the large town of Trenton with a population of well over 10,000, is serviced by the Trenton office. In one county there are over 16,000 registered for work, not including two large centres. Therefore I submit to the minister that it is quite reasonable to say that in the whole county of Hastings there are at least 20,000 persons registered and seeking work at the present time.

That is only one county in the province of Ontario. Yet in the speech from the throne this condition is referred to as only seasonal and regional. The legislation the minister introduced last week and the legislation he proposes to introduce with respect to unemployment insurance are all to the good, but I would repeat to the minister what many others have said to him, that these increases, beneficial as they may be, are not an answer to the problem. They do not provide jobs. The minister at least has something to say about the policy of the government. He can at least use his voice to urge a reduction in taxation and do what he can to assist industry to produce more at lower cost so that industry will be better able to face and meet the competition of goods manufactured in other countries.

Much has been said in this debate regarding the importation of cheddar cheese from New Zealand. In eastern Ontario where I reside the cheese industry is most important. Hastings county is the place where the famous Black Diamond cheese is manufactured, a cheese that has done a great deal to advertise Canada throughout the United States. The whole dairy industry is of great importance to the economy of Canada. I should like to point out that it is estimated that the dairy farmers and their families comprise two million persons. Their hired help and their dependents number 160,000. Employees in dairy factories and their families come to 90,000 and employees in fluid milk plants and their families number 120,000. The gross value of the whole dairy industry in Canada in 1953 was estimated at $920 million.

The cheese producers in my riding particularly have both interviewed me and sent me petitions asking me to protest to the government in the house against the importation of New Zealand cheese. One question the cheese producers would like to know the answer to is whether or not the government intends to permit further imports of New Zealand cheese. The only answer they have received so far was given by the Minister of Trade and Commerce (Mr. Howe) in reply to a question asked by the Acting Leader of the Opposition (Mr. Rowe). As found at page 187 of *Hansard* of January 14, he said:

> Perhaps I could answer that question, Mr. Speaker. We do not expect any further substantial shipments of cheese from any source for at least six months and probably at least nine months.

Why we want cheese imported into Canada in six months or nine months when cheese production is at its peak I would not know. Neither the Minister of Trade and Commerce (Mr. Howe) nor the Minister of Agriculture (Mr. Gardiner) has as yet given any reasonable explanation to this house as to why New Zealand cheese was permitted to enter Canada, especially so at a time when there is well over 41 million pounds of cheese in storage which is at least 10 million pounds in excess of other years; also at a time when the cheese producers have collected from their own members a very large sum of money in order to finance the export of cheese to the United Kingdom. They have collected a sum of approximately 17 cents a hundred pounds of milk which in the average factory would cost the patron at least $100 to $130 a year.

The cheese producers of Ontario own over ten and a half million pounds of cheese. According to the press they owe the bank on guaranteed loans $3,300,000. To liquidate that cheese today in view of the competition with the cheese from New Zealand they would probably suffer a great loss. We are told or are led to believe, that the cheddar cheese

of New Zealand costs approximately 25 cents to 26 cents a pound on the dock at Montreal. There is a tariff of one cent a pound on cheese which amounts to about 4 or 5 per cent. Compare that to industry which has a protection of approximately 20 to 25 per cent.

Other speakers in this debate have pointed out to the government that in years gone by a decline in the purchasing power of the farmer has always led to unemployment. Today we have a decline in the purchasing power of the farmer. This decline in the purchasing power will be further aggravated by the importation of cheddar cheese from New Zealand. It may be that cheese producers of Ontario are suffering a great and heavy loss if the government permits further importation of cheddar cheese from New Zealand. The importation of this cheese into Canada has been described by one federation official as the worst slap in the face Ontario farmers have ever received.

I would like to ask the Minister of Agriculture or his colleague the Minister of Trade and Commerce what action, if any, the government intends to take in order to prevent further shipment of cheap cheddar cheese from New Zealand.

At page 20 of *Hansard* of January 10, 1955, in reply to a question, the Minister of Trade and Commerce made this comment:

> During the war years a permit was required to import cheese for the reasons stated by my hon. friend, but at the moment cheese is not under price support so far as I am aware.

At page 231 of *Hansard* under date of January 17, 1955, the Acting Leader of the Opposition asked this very interesting question of the Minister of Trade and Commerce:

> Mr. Rowe: In view of the statement of the Minister of Trade and Commerce the other day to the effect that we might assume that in perhaps six months there might be other shipments of cheese, has the government given any consideration to making the import of cheese into Canada subject to permit under the Export and Import Permits Act, which governs the import of butter?
>
> Mr. Howe (Port Arthur): Mr. Speaker, the two situations are not parallel because cheese does not qualify under the legislation which governs the Export and Import Permits Act.

I would point out, Mr. Speaker, that the minister states that cheese does not qualify under the legislation which governs the Export and Import Permits Act. Under that act, in the interpretation section, "minister" means the Minister of Trade and Commerce. Section 5 of the act reads as follows:

> 5. The governor in council may establish a list of goods, to be called an import control list, including therein any article the import of which he deems it necessary to control for any of the following purpose, namely.
>
> (b) to implement any action taken under the Agricultural Prices Support Act, the Fisheries Prices Support Act, the Agricultural Products Co-operative Marketing Act or the Agricultural Products Board Act, to support the price of the article or that has the effect of supporting the price of the article; or

I would particularly point out that this provides for any action taken under the Agricultural Products Co-operative Marketing Act to support the price of an article.

We find that under P.C. 4087, 1951, an order in council was passed to bring butter under the control of the Export and Import Permits Act.

As far as cheese is concerned we find that under order in council P.C. 1954-694 it is provided:

> The committee of the privy council, on the recommendation of the Minister of Agriculture, advise that Your Excellency may be pleased, pursuant to section 3 of the Agricultural Products Co-operative Marketing Act, to approve of the Minister of Agriculture entering into an agreement in the form hereto annexed, subject to such minor amendments, without changing matters of principle, as the minister may approve, with the Ontario Cheese Producers' Association Limited, for the marketing of a quantity of cheddar cheese produced in 1954 in the province of Ontario, and, pursuant to section 6 of the said act, approve the appointment of the firm of Arthur A. Crawley and Company, chartered accountants, Ottawa, Ontario, to inspect and audit the books and accounts of the said association.

In pursuance of that order in council the Minister of Agriculture did enter into an agreement with the Ontario Cheese Producers' Association in May of 1954. While this agreement is a bit long, Mr. Speaker, I am going to read it. It reads as follows:

> Between:
>
> THE ONTARIO CHEESE PRODUCERS' ASSOCIATION LIMITED, hereinafter called the "Selling Agency"
>
> OF THE FIRST PART
>
> and
>
> HER MAJESTY THE QUEEN in right of Canada and represented herein by the Minister of Agriculture, hereinafter called the "Minister"
>
> OF THE SECOND PART
>
> Whereas the party of the first part has been appointed as selling agency, under the Ontario Farm Products Marketing Act and the regulations thereunder, to market under a co-operative plan, within the meaning of the Agricultural Products Co-operative Marketing Act, cheddar cheese produced in the province of Ontario during the year 1954, on behalf of cheddar cheese producers within the areas of Ontario coming under the Ontario cheese producers' marketing scheme and
>
> Whereas the selling agency is desirous of marketing quantities of cheddar cheese produced during the year 1954 in the province of Ontario, and delivered to it or to its order on a co-operative plan under the provisions of the Agricultural Products Co-operative Marketing Act,
>
> Now therefore, in consideration of these presents, the parties hereto hereby covenant and agree each with the other as follows:
>
> 1. The selling agency agrees to market or cause to be marketed, cheddar cheese produced in 1954 in the province of Ontario and delivered to it or to

its order by cheddar cheese producers on behalf of milk producers, for sale on a co-operative plan under the provisions of the Agricultural Products Co-operative Marketing Act.

2. The selling agency will pay to the said cheddar cheese producers for such cheddar cheese, when delivered to it or to its order, an initial payment on the following basis:

(1) For first grade cheddar cheese 24 cents per pound, f.o.b. cheese factory;

(2) Second grade cheddar cheese 23 cents per pound, f.o.b. cheese factory;

(3) Third grade cheddar cheese 22 cents per pound, f.o.b. cheese factory;

and the selling agency will arrange to have the cheddar cheese producers pay to the milk producers an equivalent price in terms of fluid milk, less manufacturing costs.

3. The selling agency will make no payment to the cheddar cheese producers subsequent to the initial payment unless such subsequent payment is first approved by the governor general in council.

4. The selling agency will market such cheddar cheese to the best advantage possible.

5. For the purpose of this agreement, processing, carrying and selling costs shall include transportation, storage, shrinkage, handling, colouring, waxing, interest and finance charges, insurance, accounting, selling commissions and other processing and marketing costs, and all other expenditures properly included in an operating account, the total of which shall not exceed two and three-eighths cents per pound; provided that in the case of any unforeseen expenditure in excess of normal processing, carrying and selling costs, the minister may, subject to the approval of the governor general in council, increase the total amount of the costs allowed under this clause.

And now we come to the important clause, where it says:

6. The minister undertakes that if the average wholesale price of all cheddar cheese produced in the province of Ontario during the year 1954 and marketed by the selling agency according to the terms of this agreement is less than the average initial payment, together with the actual processing, carrying and selling costs which shall not exceed the maximum fixed in clause 5 hereof, there shall be paid to the selling agency the amount, if any, by which the average initial payment together with such costs exceeds the average wholesale price aforesaid.

7. The books and accounts of the selling agency shall be inspected and audited by an accountant or professional auditor as provided by section 6 of the Agricultural Products Co-operative Marketing Act, and the report of such accountant shall be submitted to the minister as required.

There are several other clauses which do not apply particularly, but I should like to point out that under clause 6 the minister agrees and undertakes to pay a set price, or to pay a price which would put a floor under cheese. This agreement has been amended by P.C. 1955-30 of January 4, 1955. The amendment is trifling, extending the time to April 30, 1955, and making provision whereby certain further payments will be made over and above the initial price.

The Minister of Trade and Commerce (Mr. Howe) has said that cheese is not controlled. He has also said that the legislation does not cover cheese so that it could be brought under the Export and Import Permits Act. I think the order in council I have read and the agreement made as a result of the order in council show clearly that cheese is an article being supported under the Agricultural Products Co-operative Marketing Act, being one of the acts referred to in section 5 of the Export and Import Permits Act.

So I say to the Minister of Agriculture (Mr. Gardiner) that the government has the necessary machinery and the authority to bring cheese under the Export and Import Permits Act, thereby prohibiting or controlling any further imports of cheddar cheese from New Zealand. I think before the debate closes the cheese producers of Ontario would like to have some statement either from the Minister of Trade and Commerce or from the Minister of Agriculture as to whether or not they intend to bring cheese under the Export and Import Permits Act, or whether they intend to permit further shipments of cheap cheddar cheese into Ontario, thus causing loss to the cheese producers of that province.

Mr. Irvin Studer (Swift Current-Maple Creek): Mr. Speaker, I am privileged to be associated wth all members in the House of Commons from Saint John to Victoria who have taken part in this debate on the address in reply to the speech from the throne. As all hon. members are aware, this throne speech gives an indication of the state of the nation; and if it is to give a true picture I believe it is the duty of members to place before the house the state of the nation in its more limited aspects, as it affects their own constituencies. And that is what I shall do in the time allotted to me this afternoon.

It is always in order and a matter of courtesy to extend congratulations to all those deserving of them in the House of Commons, and in that group the mover (Mr. Leduc) and the seconder (Mr. Carrick) must be included. There seems to be some hesitancy on the part of some members to extend congratulations to those people who have given service throughout the past year in the forum of government. I am sure however that the government need not feel unduly displeased because of that. So far as Liberal governments are concerned, certainly they are not flattered by praise nor are they dejected by criticism. The people of Canada expect Liberal governments, as a matter of duty, to be patient and progressive and, irrespective of praise or condemnation, Liberal governments in the past have, and I am sure Liberal governments of the future will deliver that service to the very greatest extent of their ability, to all the people of Canada so as to

have this country continue to be what even some socialists admit—the best country on the face of the earth.

As hon. members were told last year, the constituency of Swift Current-Maple Creek is one of the greatest in Canada. It is my hope this afternoon, after listening to some of the damp, depressing, death-around-the-corner speeches we have heard during the last week, to present a somewhat more optimistic picture of what is in evidence throughout the country.

It is not my purpose to minimize the difficulties that we face in the country, or the problems, nor is it my purpose to underrate the fact that there are some good things in this country, and I believe that if more emphasis were put on some of the good things of the country than on some of the bad things that may exist we would all maintain a proper balance in regard to the situation in Canada today. When we hear the people who have no hope and who live in despair speak, they talk about unemployment—and there is unemployment. It is an evil that should be eradicated. Yet, there are well over five million people employed in Canada, five million people who are able to earn their own living at perhaps as high wages as earned by any people in the world. That is not done as a matter of course; it did not come about on account of any socialist party or policy in Saskatchewan or anywhere in the world. It came about because of Liberal principles that have been in evidence not only in Canada but throughout the whole world. Those Liberal principles reflect themselves in free trade throughout all of the world, which bring us to a united front and a united attack upon the evils that may exist not only in Canada but throughout the whole world.

Therefore I should like to talk of some of the good things in this country. One of the best things that I know of in this country is food. One of the accomplishments of Liberal policies throughout the years is production which has resulted in plenty. If there are still problems in regard to distribution you will never solve them unless you also have plenty to distribute, or the production that is necessary in order to solve the problem of distribution.

It is a good thing to talk about food; it is something that is a primary necessity of life. Any government in any part of the world that puts emphasis on food, to make sure that food is produced to the ultimate to feed the hungry people of the world, is the type of government that gives the greatest service to all of the people of the world. In my constituency, Swift Current-Maple Creek, comprising 300 miles from one corner to the other, there is at the present time an abundance not only of food but of oil and minerals —even dinosaurs are being taken out of the ground, which may or may not mean anything, according to some scientists' interpretation. We have some manufacturing, but the great emphasis is on food in the southwest corner of Saskatchewan, and in Swift Current-Maple Creek. Food is vital; food is a necessity. The question most often asked in the whole world is, when do we eat, and what do we eat?

In my constituency there are 16,500 square miles of land, comprising 10½ million acres, practically all of which is under cultivation or used for ranching, and which provides an abundance of food, if nature is kind to us, which is of value because it creates national wealth that others may distribute throughout the length and breadth of this country. Although we have heard of drought, of dust and of all the evils of the 1930's in that part of the country, no part of the world has recuperated faster than southwestern Saskatchewan has. And this area, above all other areas in western Canada that suffered from drought in the past, is in the best position this year to understand the situation because we have suffered much from years of drought in that part of Canada. We have taken advantage of the policies of the federal government in such matters as the Prairie Farm Assistance Act and the Prairie Farm Rehabilitation Act and all the other services provided by the federal government, and we have recuperated in that part of the country on a basis that we hope will be permanent. Therefore, in words that I hope all of us can understand, Mr. Speaker, and that you may like, I should like to present the production of Swift Current-Maple Creek in the form of a menu, a menu which we, the people of Swift Current-Maple Creek as producers, can place on the tables of 250,000 Canadians 365 days a year, produced from that land of over 10 million acres. For breakfast we offer you not a commodity that is manufactured but the ingredients that go into the commodity. For breakfast we offer you porridge made from the finest of oats for the finest people on earth, with milk and cream from the Jersey and Ayrshire and Holstein herds that are second to none. We offer you bacon from the leanest Yorkshires and Tamworths in the whole country. We offer you eggs from the finest flocks of Leghorns, Barred Rocks and New Hampshires in the country that any man would care to see, west of the Ottawa valley. We offer you toast made from the best wheat grown anywhere, and we give you honey that has won

prizes in Toronto and Saskatchewan last year and this year, honey produced by the busiest bees in Canada.

For lunch we offer you, Mr. Speaker, roast leg of lamb and scalloped potatoes, from potatoes that weighed three pounds this year. We offer you rye rolls made from grain and rye grown in the grain and rye fields of my constituency. We offer you butter which is the finest made in creameries throughout the length and breadth of this area. We offer you crabapple jelly made from the Dolgo crab of my constituency, and there is none better in Canada. By the way, I produced 1,200 bushels of apples on my farm this year, and I hope in the future to produce about 3,000 bushels. We also won the trophy in the Saskatchewan fruit show this year.

But that is not all. We now offer you dinner, and first as an aperitif we will offer you rye and water. We have lots of rye in that country. We offer you a choice of sirloin of beef or broad-breasted turkey, such as are grown nowhere else in Canada. We offer you vegetables which are grown with a minimum amount of moisture. Anything grown with a minimum of moisture is of high quality, be it wheat, beef or vegetables. We offer you tomatoes and also macaroni made from Durum wheat grown in my constituency and, as the *pièce de résistance,* Saskatoon berry pie. If you have not eaten it you have not lived. That is what we as producers place on the tables of 250,000 Canadian families 365 days a year. The only reason I mention this is to indicate that the importance of agriculture in this country cannot be overestimated.

Over and above that wheat and beef required by the 250,000 families, we can supply more than a million people in Canada, because my constituency is one of the greatest and best agricultural areas in Canada.

I said I was going to talk of some of the good things in this country, after hearing about all of the bad things. One of the greatest encouragements came to my desk this morning that anyone could ever have. After listening to the socialist speeches in the House of Commons, I found on my desk this morning one of the socialist papers, which is printed in Saskatchewan. It is called the *Commonwealth.* Here is the headline: "Figures show big growth in Saskatchewan economy." Can you beat that? How can we talk about difficulties in Canada—and we have difficulties—how can the socialists and others talk as they have been when their own paper denies what they have said? Irrespective of that, there are difficulties in agriculture. Agriculture has never been in existence anywhere when it was in the same position as other industries. Everyone knows of the vagaries of nature, the conditions under which we operate, the inability to control prices of any kind. We are subject to every condition that can react against us.

Irrespective of the fact that these figures show a growth in Saskatchewan economy, I am not suggesting that there is not room for improvement in agriculture in Saskatchewan. We have made some advances in agriculture in regard to some stabilized prices, especially in regard to wheat. Let us hold what we have. We should at least support a government that has influence throughout the world with the trading nations of the world. Let us support that government which has the only system that can hold that advance. We have to trade with the people of the world because we cannot create an economy of our own. We cannot continue indefinitely to pay subsidies to one group at the expense of another, because if we do so we will have to take money from one group and pay it to another, thereby diminishing the purchasing power of certain sections of the population. We do not want subsidies. We want to expand the economic wealth of the country and raise the standard of living throughout the dominion and, incidentally, transmit that standard of living to other countries.

There are other important industries in Canada but none of them are as important as agriculture because it means the production of food. You must first eat, and there is nothing else you can do if you do not eat.

In this house we have 23 lonesome farm representatives, 23 who are endeavouring to fight perhaps the greatest battle that any group of men could take on, and they are fighting that battle for the benefit of the agricultural industry without which all the rest of our organizations, our standard of living and our social services must deteriorate.

Therefore, when we hear hon. members in this house talking about cattle, hogs, poultry, and the need for floor prices and parity prices under the agricultural support act, these hon. members are actually speaking on behalf of us all. They are talking about your future because they are advocating policies that will guarantee your future. Once agriculture goes asunder, then all the industries of Canada will fall asunder. Purchasing power will be disrupted. Every member of this house and all the people throughout Canada will be guaranteed food and will continue to eat if hon. members will in turn guarantee the agricultural industry its demands.

This industry has never asked too much, though it has always been in a position where

it is deficient. We always hear about legislation in regard to subsidies to farmers. But if farmers ask for that sort of assistance it is because they are short, and it is in order to keep their industry alive and in full production that they ask for these things. We do not ask for anything we do not think is necessary and we do not ask any more than other sectors of industry in Canada.

But we want to guarantee that we are going to continue to have a high standard of living, to which as Canadian citizens we are all entitled, so that we will all be able to meet the trials and tribulations that lie ahead.

We are now wondering how to accomplish this. I do not know of any method of determining what percentage of wealth is accorded to various groups within the economy. But we should determine the labour that enters into agriculture and into every other industry and then as a result of that decide what proportion of the Canadian people in their various groups are getting too much or too little. When there is an injustice that injustice should be corrected.

We have not the talking or voting power of labour. There are 636,000 farmers in Canada and 5,530,000 workers in general industry, and the latter have the strongest bargaining and voting power. It should not only be the farmers who are asking the people of Canada to come to the assistance of the agricultural industry because we are weak and lack the necessary bargaining power.

We are weak in voting power and if we had the strength there would be a different situation in Canada today. No other industry has the paramount need of stabilization that agriculture has. The farmer's share of the national wealth is extremely difficult to determine. It must be remembered that the farmer's family is also working and producing, and that is a fact that is often overlooked. The farmer's wife contributes extensively to farm operations.

I have an article here written quite recently by an Ontario economist who estimated that the services of the farmer's wife were worth approximately $69,000 over a period of 40 years, provided she was normally industrious—and most farmers' wives have to be.

A western economist puts the figure at approximately $173,000. That works out at approximately $4,000 per year. That is not too great a figure when we come to consider what should be the farmer's share of the national wealth.

If commissions are appointed here in Canada, then I think one of the most important tasks to be undertaken by such a body would be the determination of what share of the national wealth should be accorded to each of our major industries. If we can determine that, then we do not need to listen through thousands of speeches in the House of Commons. We do not have to take things for granted. We do not have to read newspaper articles with regard to the actual conditions which govern the economy of Canada.

When this commission is set up, and I hope it will be soon, we will then be in a position in western Canada to know whether or not we are having a share of the national wealth equal to that offered to other industries in the Dominion of Canada.

Proof of the farmer's position is to be found in the income tax returns. Those returns show that the farmer is sixteenth on the list in regard to receipts. Fishermen are even worse, for they are seventeenth on the list. I will not mention who is at the top of the list or even comes into second place, but something should be done about the farmer's low position on that scale.

As we all know, the farmer's purchases are limited by the amount of revenue he receives, and if we safeguard the farmer's interests, then we will be safeguarding our own.

We have often heard references in this house to a bill of rights. And I think it is high time the farmers of this country had a bill of rights. Last year Senator Humphrey, of St. Paul, Minnesota, proposed a bill of rights, and it may interest hon. members to hear what it contained. It reads as follows:

1. The right to full equality of economic opportunity.
2. The right to improved standards of rural living.
3. The right of reasonable protection against natural hazards.
4. The right to extend agricultural free enterprise through co-operative action.

Mr. Argue: Tell the Liberal government that.

Mr. Studer: What was that?

Mr. Argue: Why not get that policy adopted now by the Liberal government?

Mr. Studer: This government was not born with a silver spoon in its mouth, like some members of parliament. I was not born with a silver spoon in my mouth. I hope I am not boasting, but I had to go out to work at the age of 12 and I have been working ever since, doing a man's work and providing something which is of value to this country. I did not have a socialist, university education handed to me on a platter. I was not born in a log cabin, and I was not born in

a sod shack, but my parents moved into one as soon as they could afford it. The bill of rights continues:

5. The right to public co-operation and assistance in saving the soil.
6. The right to preserve the social and human values of family farming.
7. The right to decent land tenure which would encourage the desirable goal of farm ownership.

Try that in Saskatchewan.

8. The right (of a farmer) to a democratic voice in his own farm program.
9. The right to benefits of an expanding world trade.
10. The right to a long-term program of food storage to encourage abundance.

That is the bill of rights for farmers. That is the sort of program to which we should all subscribe. That is the bill of rights every hon. member should be advocating; for again by protecting the agricultural industry we would be protecting ourselves.

We have agricultural difficulties. We cannot sell wheat. But that wheat will be sold, and I believe that within eight months we will no longer be talking about the problem. We cannot deliver to the elevator of our choice. But whatever our difficulties are out in Saskatchewan, they are of a temporary nature and will be corrected.

Production difficulties are permanent difficulties existing in western Canada and particularly in southwestern Saskatchewan, and those are the difficulties we wish to see eliminated. But I would add that we also have had the problem of empty granaries in southwest Saskatchewan, rather than full ones. We also want a floor price, and a good floor price, on eggs. They talk about somebody not receiving the floor price on eggs. All the Saskatchewan government needs to do is to implement their marketing legislation, buy up all the eggs in Saskatchewan and sell them back to the federal government. There is the solution. Will they do it? I do not think that they will. It is much wiser politically not to give consideration to that solution but rather come down here to the House of Commons and tell the federal government what to do.

Then there is the matter of the floor price on hogs. I am glad that the hon. member for Selkirk (Mr. Bryce) yesterday took up the problem of the underhog. It is about time he had his day. The only thing I think he recommended was a change in grading. From what I know I think perhaps the hon. member for Selkirk thinks there are not sufficient grades in hogs. But if he would need one more in order to sell his product, I think we should enter another grade of hogs and it would be called the razorback class. Some of the solutions are right at the socialists' back door. But will they take them? No, they will not, because talk is cheaper.

One of the difficulties in Canada is taxes. We have our provincial taxes. As you know, we have a provincial treasurer in Saskatchewan. His name is Fines; and everybody knows that we are fined for everything in Saskatchewan. We also have our federal taxes. We have the greatest tax, which is for national defence, and who is more responsible for the tax for national defence than are these socialists and their cohorts? Why? Because in the Regina manifesto they stipulate that they will not rest content until this system under which they have lived and prospered shall be eradicated. And the other reason why that national defence expenditure is incurred is on account of their cohorts, wherever they may be in the world. Listen to this:

Thirty-five years ago Lenin made a prophecy that "first we will take eastern Europe; then the masses of Asia; then we will encircle the United States of America, which will be the last bastion of capitalism. We will not have to attack it because it will fall like an over-ripe fruit into our hands . . . "

Again, in 1930 Dmitri Z. Manuilsky, who later presided over the United Nations security council in 1949, when addressing the international students at the Lenin school of political warfare in Moscow came out with the somewhat astonishing "war to the hilt between communism and capitalism is inevitable. Today, of course, we are not strong enough to attack. Our time will come in twenty or thirty years. To win we shall need the element of surprise. The bourgeoisie will have to be put to sleep. So we shall begin by launching the most spectacular peace movement on record. There will be electrifying overtures and unheard of concessions. The capitalist countries, stupid and decadent, will rejoice to co-operate in their own destruction. They will leap at another chance to be friends. As soon as their guard is down, we shall smash them with our clenched fist".

That is why you have to have a defence program in Canada. That statement has never been repudiated. The Regina manifesto has never been repudiated. I wish some good honest-to-God socialist would stand up in this House of Commons and repudiate that whole thing. Then we shall be able to conduct ourselves here in this country on a basis of peace with all people of the world.

What is the policy or the idea behind these socialists? You will remember that last year, when we were having the debate on amendment to the Criminal Code, they had an objection. What was their objection? Every one of them was endeavouring to have the penalty for sedition lowered from 15 years to 5 years. We spent almost a week on that matter. Why? If I am a traitor to this country that has given me my living and if

I advocate sedition and I am biting the hand that feeds me, why should I get only 5 years? Why should I not be hanged?

An hon. Member: That is right.

Mr. Studer: Mr. Speaker, where do they stand? If and when communism knocks at our door, whom are they going to support? Are they going to support this system which they are pledged to eradicate or are they going to support the communistic system to which they give a little bit of lip service once in a while and condemn in a mild manner on occasion? I have never heard an anti-communist speech in this house or in any other house by these socialists since they have been in this House of Commons. I have never heard a good soul-shaking anti-communist speech by them, and you never will as long as they are associated with those with whom they are associated.

We also have federal taxation but we get something for it. Out in Saskatchewan the only thing you receive for your taxes is more taxes. In Canada here we pay taxes. Certainly we pay federal taxes, but we receive something for them. What do we receive? We receive veterans pensions for our taxes. We receive old age assistance for our taxes. We receive family allowances, old age security, national health, disability pensions and blind pensions. We receive the safeguarding of the nation, the administration of the country, the maintaining of floor prices, the Agricultural Prices Support Act, the bonuses and the subsidies, subsidies on farm feed, railway subsidies, trans-Canada highway, housing loans, farm improvement loans, farm loan board, Veterans Land Act, veterans pensions, unemployment insurance and so on and so forth. I should also mention disability pensions.

The hon. member for Winnipeg North Centre (Mr. Knowles) the other day made mention of how this disability pension came about. A little girl in Sherbrooke wrote the Prime Minister (Mr. St. Laurent) such a pathetic letter that the Prime Minister just had to inaugurate this disability pension. That is the first time I ever heard any socialist admit that they were not responsible for all pensions.

I would suggest to the socialists that they get into harness, get out of this House of Commons and earn some of the production that they wish to distribute among the people of the world. But in Saskatchewan they just live on capitalistic production. They live on capitalistic money that is paid into Saskatchewan. As it appeared in *Hansard* last year, the amount of money that is spent in Saskatchewan by the federal government, irrespective of the production of it, is over $139 million. That money the socialists are using in order to promote socialism. If they had to live on socialist policy and had to produce their own wealth in Saskatchewan, every one of them would be in the poor-house. There is no question about it; every one of them would be there. They are living on capitalistic money in the province of Saskatchewan and capitalistic money has been keeping them in existence in Saskatchewan. Once that capitalistic money is withdrawn, then of course their bubble is burst. There is no question about that. But do not expect anything else in Saskatchewan because few of the socialist leaders know the value of a dollar. Any person who has not earned a dollar by the sweat of his brow does not know the value of it. Hence from this non-producing element that is in existence out in Saskatchewan you can continue to expect higher and higher taxes until our farmers are taxed off the land. That is one of the great overheads that the land carries at the present time and that the farmer has to pay, namely the overhead of taxes in the province of Saskatchewan. I want to warn the rest of the people in Canada to look into that picture in Saskatchewan before Quebec or any province adopts socialism.

So they are living off capitalistic money. How did the socialists get that way? I will tell you how they got that way. How did they become socialists? You will remember that back in 1933 a book came out, published by Dale Carnegie, I believe. It said something about trying to win friends and influence people. Every socialist in Saskatchewan read that book and he used it to advantage, so much so that they almost wrote a book of their own, they did not call it "How to Win Friends and Influence People". That was the original title, "How to Win Friends and Influence People". They entitled their manuscript "How to Win Votes and Fleece People". You see the result in evidence every year since they have been here. The best times that Canada ever had were the times when there was the smallest number of socialists in this House of Commons and that was in the period from 1949 to 1953. As long as the people of Canada send socialists to this House of Commons who are pledged to destroy this system, we shall have the customary result. Why do they say that we should follow a capitalistic country, the United States of America, in our contributions to Colombo? Why do they not present to us for comparison a socialistic country? If they are against the capitalist

system one would think they would never refer to it; but all they are interested in is to keep in office and to keep financing on capitalistic money. The day is coming when they will not continue to exist. You have heard of the communistic slogan: "Workers of the world, unite; you have nothing to lose but your chains." The socialists have a slogan too. Their slogan is: "Irresponsible socialists of the world, unite; you have nothing to lose but your brains".

We have heard some speeches in the house in which objection was taken to the Prime Minister (Mr. St. Laurent) kissing babies. I hope the Prime Minister continues to kiss babies as long as he is Prime Minister and long afterwards because he kissed babies long before he was ever Prime Minister. I like a person at the head of our government who does not have to make an effort to do something that he has not been accustomed to doing all the days of his life. I like people at the head of our government who are family men and not people who ridicule family men. If the hon. member for Vancouver East (Mr. Winch) thinks he can make little men big by making big men little, that has never happened yet in the history of the world and never will.

I come to another friend of ours in the ranks of the socialists, the hon. member for Kindersley (Mr. Johnson). You will remember that last year a heifer was lost somewhere in the city of Ottawa which was threatening to destroy the whole city and our hero came to the rescue with a rope. It was like David and Goliath. David wound up his sling-shot and hit a bull's-eye. My hon. friend wound up his rope, let fly and missed the heifer. I do not blame him too much because I think there is something wrong with the hon. member's eyesight. I think he is suffering from myopia. During the past summer he was at a provincial C.C.F. convention in Saskatoon and he made a speech to the convention. He is reported in the *Leader-Post* of July 21, 1954, as having said:

> I went to Ottawa expecting to see the benches filled with intelligent faces. I was disappointed.

I would say that the hon. member, sitting in the back row as he does, would not be able to see much further than the front socialist benches directly in front of him, and I think his statement was well founded. In any event he would not have been able to see any further than the hon. member for Winnipeg North Centre (Mr. Knowles) because that member was standing up all the time. If my count is correct that member rose to his feet 700 times in the last session. I think the hon. member for Kindersley is suffering from myopia. I know that the hon. member for Winnipeg North Centre is suffering from athlete's foot. You can imagine that as soon as disability pensions were passed both these men would put themselves in a position where they would eventually be recipients of it.

We have also had some speeches by members of the official opposition. I would refer to them as a paper opposition. I do not mean that they are not worth the paper their speeches are written on; I mean that if you read today's papers you will find out what the opposition is going to say tomorrow. That is why I call them a paper opposition. Inasmuch as that is their policy, I suggest that they take ten newspaper editors from across Canada who have been picked at random, put them in the front benches, and they will do a cracking good job. In fact you could pick ten members of the press gallery at random, put them in those front seats and they would do a very good job for the opposition.

But they will not have to do that. Why? Because we Liberals form our own opposition right within our ranks. That is why the opposition's case is hopeless. We form our own opposition within our own ranks. We guide and advise, reject and add, and admonish our government, so that it is the type of government against which the opposition has about as much effect as the waves around the rock of Gibraltar. But they can improve, and we hope that they do and will eventually make some contribution to the people of Canada.

I think my time is about up, much to the regret of the socialists perhaps, but I want to mention one more thing that should be put into effect in Canada. There should be qualifications for members of parliament.

Some hon. Members: Hear, hear.

Mr. Studer: That would leave me out, I am sure, but that would be expected. You have qualifications for members for school districts and school boards. You have qualifications for municipal administration and for city administration. You have qualifications all the way from the lowest form of government with the exception that when you come to the highest you can be elected a member of parliament as long as you are not in jail. That is one reason why there are so many socialists here. Since the indemnity has been increased, I think there should be qualifications established for members of parliament so that we will eliminate those from our public life who are professional politicians. Let us eliminate those who have no stake in the country except a political stake, and this is my reason. Go back through history and see what happened so far as the advancing or retarding of humanity is concerned.

What stake did Hitler have in Germany except a political stake? What stake did Mussolini have in Italy except a political stake? What stake did Lenin have, what stake did Stalin have, what stake did Karl Marx or Engels have or any of these individuals? What stake did they have in their countries except a political stake? Therefore I suggest that every member of parliament should have certain qualifications. He should have a job, an occupation, farming, or a vocation, and if he does not spend six months of the year at it he should not be permitted to be a member of parliament. Then there would be no more socialists here. After all, the socialists in Saskatchewan are nothing more or less than socialist profiteers, socialist middlemen reaping a profit from the expenditure of dominion government money in the province. We can get along without them just as the socialists say we can get along without other middlemen.

I was going to talk about unemployment but there is not enough time except to say, what do the socialists do when there is unemployment? The only socialist country I know of that deals with it in any way is Russia, and if there are people unemployed there they are either put in the army or sent to Siberia. What is the socialists' solution? I have not heard it. We are pledged to eliminate the cancer of unemployment—and I claim it is a cancer—from society when it occurs. I also think that the workers in industry should be greater sharers in industry. I cannot see that strikes will be eliminated or that we will eliminate the conflict with respect to the sharing of the national wealth unless that is done.

Our government has the responsibilities. It is not assisted by rabble rousers or socialist malcontents. I do not think there is anything like a rabble rouser in Canada. But we do have to strike a balance in government. Living in the world, I say that as an exporting nation we are dependent not on our own policies alone but on the policies of 73 other countries in the world with which we trade. So we wish to strike a balance. I hope I have contributed to that balance in endeavouring to speak not only of the bad things, the things we wish to eliminate in this world, but also of some of the good things that it has been our privilege as Canadian citizens to enjoy. I am in favour of Liberal policies not only in Canada but throughout the whole world and when that comes about you will have one world with the power of production, which is essential, and a solution of the problem of distribution which will guarantee every man on earth his right to live and his fair share of the wealth of the whole world.

[Mr. Studer.]

So this Liberal government and all other governments having Liberal policies have fed, clothed, housed and provided health and guaranteed freedom to more people than any other system on earth. We wish to extend these benefits to all people on earth. We want to extend the corporal works of mercy. We want to feed the hungry, clothe the naked, shelter the homeless, take care of the sick. As long as that is the objective of the Liberal government and party, I hope that by word, action and example I can always be found worthy to be considered as one of them.

Mr. H. R. Argue (Assiniboia): I intend this afternoon, Mr. Speaker, to make some reference to dominion-provincial relations, and particularly the announcement made the day before yesterday by the Prime Minister (Mr. St. Laurent).

Before going on to demonstrate, as I believe I can, that the government's policy is one that is a disservice to Canada, I wish to say that I welcome the announcement in the speech from the throne that amendments are to be made to the War Veterans Allowance Act. I have had the privilege over a number of years of adding my voice to those of members on all sides of the house calling upon the government to make a substantial increase in the burnt-out pension or, to be more correct, the war veterans allowance.

We in the C.C.F. support the demand of the Canadian Legion that the war veterans allowance should be increased from the present figure of $50 in the case of a single man and $90 in the case of a married man to $60 for a single man and $120 for a married man. We all agree that allowable income ceilings should be raised from $720 single to $1,200 single, and from $1,200 married to $2,000 married.

Further we in this group see no reason why the veteran should not be given the benefit of an additional $40 a month when he reaches the age of 70 and is eligible for the old age security pension. We believe that it is unfair and unjust for this government to single out the veterans of Canada and discriminate against them by reducing the amount of the war veterans allowance when those veterans become eligible for the old age security pension.

During the war years and immediately following the government held out to the people of Canada the promise of a new social order. The late prime minister, the Right Hon. W. L. Mackenzie King, had proposals which he set before the people of Canada and which he maintained would result in full employment, including greater social security measures and the national health program. He went further and said that the proposals

would include adequate guaranteed prices for agricultural products. The late prime minister pointed out that farmers in this country had accepted lower prices during the war, and that they should therefore be guaranteed adequate prices after the war. He also said that if his government were returned to power he would undertake the steps necessary to see that all the provinces of Canada had the financial means to discharge their constitutional responsibilities.

Of the principles outlined, the principle that agriculture should have guaranteed prices has been the first casualty. The Liberal government came back to power in Canada in 1935 and has been in power ever since, and the figures put out by the dominion bureau of statistics show that today agriculture is back in the position it was in the late thirties. Figures from the dominion bureau of statistics show that farm cost of production today, based on 1935-1939 equalling 100, is 238·7. But the price level of farm products is only 220·1. In other words the farmers' cost-price relationship, according to the figures of the dominion bureau of statistics, is even worse today than it was in 1935-1939, when we were still in the depths of a depression. If you want to know why there is unemployment in Canada, if you want to know why farmers are having difficulty in meeting their obligations, you can see the answer in the figures I have just quoted.

We had expected as a result of Liberal promises and commitments that agriculture would be guaranteed adequate prices after the war, because of the low prices accepted during the war. Under the policy of the present government not only are the so-called floor prices inadequate, they do not operate at all.

On December 6 last, speaking to the dominion-provincial conference, the Minister of Agriculture made a public confession that his floor price under eggs was not operating. He said the floor price was 38 cents a dozen, and the producer should be entitled to at least 32 cents a dozen. He quoted figures showing that farmers at Edmonton get 30 cents a dozen, at Winnipeg 27 cents a dozen and at London 37 cents a dozen. The government not only has not adequate floor prices for agricultural products, but the floor prices as set are paper floor prices, phony floor prices, and just so much fiction in the words of the Minister of Agriculture himself. At the dominion-provincial conference he admitted that the farmers were not receiving those prices.

Much has been said about the condition of the wheat producers and the wheat industry in this country. The Minister of Trade and Commerce is always very optimistic. He has said time after time that exports in the current crop year were going away up, that sales were improving, and that there would be very little difficulty.

I believe the trend is toward improvement, but not the way the Minister of Trade and Commerce has pointed out. The latest weekly publication issued by the board of grain commissioners for the period August 1, 1954, to January 5, 1955, shows that during that period we exported 99·6 million bushels, whereas during the same period of last year we exported 99·7 million bushels of wheat. This year to date exports are as low as last year, and last year was not a good year. So far as exports and sales of Canadian wheat are concerned, we can only hope that the trend is toward improvement.

Farm marketings of wheat this year are away down, from 230·9 million bushels a year ago to just 111·7 million bushels during the present period. Do not let anyone tell you that the main reason western farmers are short of cash today is that they have had a crop failure. The truth is that the western farmer has not been able to market even the small quantities of grain he has threshed. When the present crop year ends the majority of farmers will probably have little grain on their farms. The farmer has been able to keep the elevators filled, and the main reason he has no money is that marketings are down, coupled with the additional fact that the price-cost relationship is adverse. We have in Ottawa today a delegation representing the farm unions of Alberta, Saskatchewan, Manitoba and Ontario. This morning they made a well documented submission to the cabinet requesting, among other things, that the farmers be given adequate support prices, that they be given parity prices for wheat sold in Canada, and adequate floor prices for wheat sold on the international market.

Every important wheat producing country in the world today guarantees a support price to its wheat producers; and if one looks over the wheat support prices of the various countries of the world he sees that the Canadian position is bad indeed. It is right at the bottom of the list. The Argentine wheat producer is guaranteed $2.72 a bushel. The Australian wheat producer gets $1.55 a bushel on domestic wheat, plus a cost of production floor on export wheat. The farmer in Spain is guaranteed $2.73 a bushel, in Japan $2.53, in Greece $2.45, in France $2.95, in Belgium $2.49, in Sweden $2.28, in Turkey $2.28 to $3, in the United Kingdom $2.22, in the United States $2.24 and in West Germany $2.72 to

$2.83 a bushel. Canada has the lowest guaranteed price of all, only $1.40 a bushel at Fort William, which means an effective price to the farmer of about $1.20 for No. 2 northern wheat at his local elevator marketing point.

There are three facts about the Canadian wheat picture we should not forget. The first is that the Canadian wheat grower produces the best wheat in the world, but under a Liberal government he is condemned to the highest cost of living in the world and the lowest guaranteed price in the free world. I say that the attitude of the Canadian government as expressed in its treatment of the wheat producers is shameful. No wonder the farmers of western Canada, through their farm unions and other organizations, are considering once again a mass movement on Ottawa to try to impress upon this anti-farm government the need to increase the support price on Canadian wheat.

It is a shame that Canada, one of the wealthiest if not the wealthiest country per capita in the world, should pay its wheat producers the lowest guaranteed price. The agricultural policy of this government is definitely and decidedly against the interests of the producers, and does not in any way give the farmers the guaranteed floor price they were promised by the late prime minister, Mackenzie King, at a time when agriculture was taking such low prices during the period of the war.

We in the C.C.F. believe that the principles laid down in the original dominion-provincial conference following the war were good. We believe that Canadians in every province of Canada are entitled to a basic minimum standard of services. We believe that dominion-provincial agreements are necessary if the government is going to adopt the financial policies necessary in order to maintain full employment. We believe such agreements would be of assistance in connection with the other things proposed to the original conference. We are sorry now that this government is set against implementing those important financial and social security measures. The late prime minister, Mackenzie King, said that just as soon as a sufficient number of provinces signed the taxation agreement he would implement the various social security and full employment measures proposed.

But with the present Prime Minister (Mr. St. Laurent) the policy was changed. Hon. D. C. Abbott, who was minister of finance in December of 1950, said then that even though all the provinces were to sign a taxation agreement the federal government was not committed to anything in any other field.

The government today has demonstrated by its actions that it will not undertake the measures necessary to provide full employment. When the then minister of finance made his budget speech in the House of Commons in the 1954 session he forecast that the real wealth production of Canada would not go up in the coming year. The real wealth production of this country, because of the increasing population and the improvements in technology, should go up by at least 5 per cent every year. Instead of going up by 5 per cent it is forecast that the gross national product is likely to go down to the extent of some $500 million. Even allowing for a poor crop in western Canada, the fact remains that because we did not have full employment in Canada we lost during 1954 approximately $1,200 million in wealth production. That $1,200 million represents sufficient wealth to provide a health insurance program, to increase family allowances and to provide stabilized prices for agricultural products. But the government has allowed production to go down and the people of Canada to lose $1,200 million worth of wealth production.

The day before yesterday the Prime Minister announced unilaterally some of the results of the taxation negotiations he has had with the premier of Quebec. Ordinarily one expects that when two governments have been making negotiations, any tabling of documents or statements made will be made concurrently. But the federal government made its announcement one day; and the premier of Quebec did not bother making one at all, and did not table the letters until the following day.

I may have some criticisms to make of the premier of Quebec, but certainly I will not malign him to the extent the Prime Minister did, according to a report in the Montreal *Gazette*, when he made the statement that Canada's prosperity and growth pleased everyone except countries behind the iron curtain and some people in Quebec. I may criticize the premier of Quebec, but I shall never criticize him in those terms; because even though I disagree violently with the stand taken by the premier of Quebec, I say those terms should not be used in relation to a premier of any province in Canada elected by democratic vote.

Mr. Dufresne: Why do you disagree with him? Is it just because you are a socialist?

Mr. Argue: Oh, that is about as sensible an interruption as the remarks of the previous speaker, which lasted some 40 minutes. I do not think such a question requires an answer.

Mr. Dufresne: You cannot give it.

Mr. Argue: The statement by the Prime Minister of Canada in which he said that the Canadian income tax law would be amended to reduce the federal tax by 10 per cent in Quebec means, in my opinion, a complete surrender by the federal government of Canada to Premier Duplessis in Quebec.

We were told by the Prime Minister that the 10 per cent reduction represents just about the same amount of money that will be collected by the 15 per cent tax in the way it is applied in the province of Quebec. Now Canada has to go back to the kind of taxation situation that existed before the war, when taxes varied from one province to another. We have all the ill effects, double taxation and differing taxation, and I am extremely disappointed that the federal government of Canada has yielded to the premier of Quebec in this way. It is a disservice to Canada.

Mr. Dufresne: You admit that he was smart, anyway.

Mr. Argue: As a nation we are going to suffer from this policy, because it demonstrates that the government has forgotten about the principles enunciated in the dominion-provincial conference following the war. It shows conclusively that this government is not prepared to take those fiscal, taxation and economic measures that are necessary to guarantee full employment and full prosperity.

The result of this reversal of policy and attitude is shown in the fact that in 1954 Canadians lost $1,200 million of wealth production that should have been obtained. It shows that this government has now abandoned the idea of a social security program that would include health insurance. I believe the health insurance proposal, in the original conferences, was one of the most important proposals. The announcement of the Prime Minister demonstrates that he is now surrendering even his plan of a health insurance program.

The proposals in the original dominion-provincial conferences would have made it possible for Canadians living in all provinces of Canada to have a minimum basic standard of provincial services. The provinces have not the taxation resources necessary to fulfil their duties under the Canadian constitution. The revenues of the federal government amount to $4,500 million a year. The revenues of all ten provinces in Canada combined amount to only some $1,400 million a year, and the combined revenues of all the municipal governments in Canada, both rural and urban, amount to some $900 million a year. Therefore, out of the revenue dollar the federal government takes 73 cents, the provinces have 17 cents and all municipal governments have is 10 cents. There is the reason the federal government needs to provide increased grants and measures to enable the provinces to meet their very important obligations under the constitution.

One of their most important obligations is the provision of educational services; another of their most important obligations is the provision of roads which is a vital service in this nation today. The United States government recognized the necessity for an adequate road program as far back as 1912 and provided grants to the states for the building of roads. Today the United States has a good road system and President Eisenhower has proposed that congress provide $101 billion for roads in the United States in the next ten years. If the federal government of Canada did the same thing on a per capita basis it would provide $909 million a year toward the building of roads.

The only item in the estimates provides the magnificent sum of $15 million for the trans-Canada highway. The amount should be $909 million a year if the Canadian government was to make the same contribution to roads on a per capita basis. But ours is a much larger country than is the United States. If the Canadian government were to undertake a road program that would give us the same type of roads, no doubt it would cost a great deal more. Our government should give serious consideration to providing immediately adequate grants for the building of roads in various parts of the dominion.

The United States grants are not just for super highways or even just for ordinary highways in the states, but are for assistance in building every single mile of road in the United States of any consequence whatsoever, even farm to market roads and roads for local school buses. Rural municipalities in Canada, even urban municipalities, where a highway goes through a city, find the provision of adequate roads an impossibility.

The reason municipalities are unable to provide adequate roads in Canada is that the tax base in a municipality is so narrow. Municipalities derive almost all of their revenue from taxation on real property, and the taxation on land and urban properties for roads and for education is becoming almost unbearable in every single province of Canada. If there is an important political issue that is the same in each and every one of the provinces it is this matter of inadequate

roads, high land taxation and the inability of municipalities to provide roads on their meagre taxation base.

The same thing is true with respect to adequate educational services. Any country in the world that prides itself on being a democracy and being progressive should provide adequate moneys to create equal educational opportunites for all the young people of that nation. We know the attitude of the premier of Quebec toward university grants. He will not take them. When the hon. member for Saskatoon (Mr. Knight) advocates that the federal government make grants for the provision of equal opportunities for education on the public and high school level, this government allows the attitude of the premier of Quebec to influence it to the point that it says no, we will not make grants for education in Canada. The result is a lowered standard of education in many provinces.

I come back to the statement I made earlier, that the Prime Minister had surrendered—yes almost unconditionally—to Premier Duplessis, as was clearly demonstrated in the statement he made in the house the day before yesterday. He has not only surrendered on the matter of taxation agreements, but he has surrendered to the leader of nationalist ideas, Premier Duplessis, to the point that he says, "No educational grants. We will let the children of Canada suffer from unequal educational opportunity." This attitude is a shame.

I would like to see the federal government, in the dominion-provincial conferences that are coming up, return to its original principles which were presented to the dominion-provincial conference after the war, and even at this late date undertake measures that will provide full employment, and an adequate social security system; and that will mean health insurance now. I hope they will adopt measures that will provide adequate guaranteed floor prices and a fair share of the national income for agriculture, and which will grant to each and every provincial government in Canada the financial resources to carry out its responsibilities under the Canadian constitution.

I do not think the attitude of the premier of Quebec should be allowed to condemn 15 million Canadians to suffer such things as high hospital bills, and high doctors' bills; to cause 15 million Canadians to go without adequate roads and adequate educational opportunities, and the Canadian nation to lose $1,200 million of wealth production in one year.

Again I make the statement that the Canadian government should stop sacrificing the well-being of 15 million Canadians on the altar of ultranationalism; and, if that statement be considered too strong, I suggest hon. members read the Prime Minister's statement to the Reform club in Quebec last September.

[Mr. Argue.]

Mr. John B. Hamilton (York West): Mr. Speaker, I hesitate to get to my feet so early in this session because I am sure the general rule about being seen and not heard is as applicable to new members of this house as it is to small children. But times have changed. I know that my two daughters have a great deal more to say than their parents had, so perhaps I may be permitted some slight deviation from the golden rule of silence.

I must admit I have been perplexed as to just what opening remarks I might make. I have no desire to make an evangelical speech of condemnation and denunciation. Neither have I any desire to offer wholesale congratulations to the government. Let us face it. As a member of the opposition, that group without which no government can operate efficiently, it is my duty to point out what I consider the shortcomings and deficiencies of this government, and I am prepared to say that this privilege only exists if such criticism can be constructive and a sound alternative offered.

Criticism, of course, either constructive or otherwise, can fall on deaf ears. My leader has conferred upon this government a diploma characterizing them as the greatest free traders of all time. I would confer upon them a degree "in mutual admiration". Perhaps they cannot be blamed for the fact that such a degree can be conferred upon them, because 20 years in office has convinced them that there is no alternative to their type of government.

I believe there is an alternative, and to express my views I might even have to use such unmentionable terms as tariffs, protection, and free enterprise.

What are the problems that face us today? Certainly by far the most important is unemployment. I agree with the Minister of Labour (Mr. Gregg) that there is no magic formula which can put an end to unemployment. But if unemployment were as regional and seasonal as the speech from the throne suggests, then I believe the magic formula of government handouts would do the trick. I am sure the Minister of Labour knows as well as we do that the situation now confronting us is much more serious than that. I know that in West York unemployment is greater today than it has been since the depression, and I do not need the benefit of information from the dominion bureau of statistics to convince me of that fact.

But now that we have criticized, have we anything to offer by way of solution? First of all, conditions can only be improved if all three partners in the free enterprise system join in a common program. But who are they? First, labour; second, management or industry; and third, the government. Each has a vital role to play.

To the workingman I would say that we cannot compete for the world's markets without getting more for our production dollar. Let me make it quite clear that I do not believe wages are too high. Far from it. But if businessmen are asked to devise better and more efficient methods of production, to reduce production costs, then I think labour too must join in the same program to see that greater productivity results from each man's daily job.

To management I would say that on you must fall the major burden of achieving the highest production at the lowest cost. Production methods must be constantly under study. The introduction of "automation" in plant equipment, it appears, must more and more be emphasized. New sales techniques must be tried and new markets sought to free us from dependence upon the United States.

Industry has achieved a great deal, but there appears to be an ever-increasing tendency to ask for government assistance even on small matters. Leaders of business must realize that if the government is asked for assistance there can be no satisfactory answer if the government asks for control. And this government shows no reluctance in accepting the principle of controlling every phase of economic life in this country if it is given the opportunity.

I might bring this thought to the special attention of bank presidents, whose lengthy reports I read annually. If the country's credit requirements cannot be met without government guarantees, then tighter and tighter government administrative control can be the only result, ending ultimately in government control of every phase of banking.

What could the government do to relieve unemployment other than the pump-priming job it is doing? I believe it could do a great deal, but this government has done nothing. We do not recommend high tariffs and protection, but we do ask for an end to the naïve program of binding us under trade agreements to nations which are not playing under the same rules. The problem is just as simple as that. We choose up sides and we are ready to kick off, when we are informed that our opponent has just built a brick wall on the 20-yard line. With that system the best we can ever do is kick single points. The touchdowns will always be against us; and is that not just what our government has allowed to happen? Our two biggest customers, the United States and Britain, have allowed our goods entry or refused entry as they saw fit, regardless of the GATT agreement.

I say to the Minister of Finance (Mr. Harris) that if industry is called upon to cut down costs, to improve production techniques, and to economize, then I think it has the right to say to this government: "You economize, improve your methods and reduce your taxation program in the same proportion that you have asked us to reduce our prices to get into the world markets." Surely it is not too much to ask this government to reduce its over-all expenditure in the same proportion that has been achieved in the United States in the last couple of years.

This government could help further if it took another look at what I consider to be a very artificial exchange rate on the Canadian dollar. It is readily apparent that the rate is not based on the world's desire for Canadian dollars for trading purposes, because our adverse position in that respect has already been pointed out very forcibly by the hon. member for Eglinton (Mr. Fleming). The real demand for Canadian dollars in the world's money market is for capital investment, and the artificially high value placed on the dollar is a real handicap to our manufacturers in their trading position. We should face this issue now because, if we do not, I shudder to think of the situation looming up and what will happen when our foreign investors complete their programs of construction and start asking for their dividends.

Is this not the way this government must face up to the country's unemployment problem? There appears to be no alternative. What will it be? Will it be a continuation of pump-priming, a little loosening up of the purse strings on the workers' and employers' own hard-earned unemployment insurance dollars, or a cold, hard, practical approach to this greatest problem in Canada today?

I think, Mr. Speaker, the spectre of unemployment is a far greater worry to the home owner than to any other individual in the community. The hon. member for Spadina (Mr. Croll) has emphasized that fact in this house, and has suggested a method of protection for home owners who are buying under N.H.A. I wholeheartedly support the idea of equity of redemption insurance and, as a matter of fact, I strongly advocated such a plan during our recent by-election campaign in West York.

But the real problem facing the home owner is in his capacity as a shareholder in his municipality. That municipality is having more and more trouble meeting its obligations because of its unfortunate position in the tax source picture. I am firmly convinced that we are saddling the municipality with responsibilities far beyond its capacity. I find it very difficult to understand why real estate should be carrying almost the complete load for educational cost, police protection and other similar responsibilities. Surely these items are for the benefit of all persons, not just for the benefit of home owners. I am hoping that when the dominion-provincial conference becomes a fact, the problems of the municipality will receive serious and thorough consideration, because otherwise it is questionable if essential services can be maintained and expanded.

The Minister of Finance should remember that the home owner is entitled to a tax break. His investment in a home is the largest investment of his life. It is an investment in the development of this country. It has created jobs on a greater scale than any investment in common stock in a corporation. Yet, Mr. Speaker, this government has given a tax credit of 20 per cent on dividends received from common stocks to anyone who invests in the same. I say to the Minister of Finance that it is much more important that such a tax credit should be allowed on annual payments of principal on house purchases, and on realty taxes paid on the same.

For example, a purchaser pays $400 in principal on his house mortgage annually, and $200 in realty taxes. Each of these amounts has created employment. It is a real investment, just the same as or more so than an investment in the common stock of one of our corporations. He should receive a credit on his income tax of 20 per cent of the total amount of both principal and realty taxes paid, namely $120. If that formula is not acceptable to this government the least which should be done for the home owner is to allow the real property taxes which he pays on his home as a deduction from his total income for income tax calculation.

I cannot close without mentioning that my constituency of West York has suffered as the result of two major disasters in this country during the past year. First, as the result of the Moose Jaw T.C.A. air crash, it lost its esteemed and highly honoured member of this house, Rodney Adamson, and his wife, Cynthia. I know this house and our party deeply feel his departure from this chamber, as he was a fine parliamentary representative. Then late in the year West York bore the brunt of "Hurricane Hazel". Loss of life and property were appalling, but our people went to work with grim determination. Their efforts and their financial contributions to the various charitable drives have been tremendous.

This sacrifice must not be in vain. Surely this disaster has brought home to this house the necessity for an adequate national civil defence set-up. This program needs more than air raid sirens. It needs an adequate permanent force, small though it may be, just as much as an army does. Let us see that we get it, because I saw municipal authorities working under appalling conditions which should not occur in a well organized society.

(Translation):

Mr. Speaker, I would have liked to deliver a good part of my speech in French, but it is already difficult enough for a new member to make his maiden speech in his native tongue without venturing into the other official language of this country. I hope to do better in the future.

(Text):

Mr. John Decore (Vegreville): Mr. Speaker, once again I have the privilege of rising in the house and speaking on behalf of one of the finest constituencies in Canada. May I first of all join with other members in congratulating the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne. The way these two hon. gentlemen acquitted themselves was certainly a credit to themselves and to the communities they represent, and was in the finest traditions of the house.

When I say I have the privilege of representing one of the finest areas in Canada I of course am referring to the people of the constituency. There is probably no other rural constituency in Canada whose population is as cosmopolitan as that of Vegreville. It is indeed true that the strength of Canada lies in her diversity. When we take Canada as a whole we find people of different backgrounds, different origins, different traditions, each of whom has something to contribute to the building of a new national Canadian culture and the strengthening of this land. So I say the constituency of Vegreville is most cosmopolitan, and I think you will find there the finest example of unity because the people, regardless of their origin, are able to understand and get along with each other. I also feel, and this is an actual fact, that our present Prime Minister (Mr. St. Laurent) will go down in history as the greatest promoter of unity in Canada.

I listened with a great deal of interest during the course of the debate to some of the comments made by the hon. member for Rosthern (Mr. Tucker), and especially what he said with regard to tariffs. I wish to assure the house that the people of the province from which I come will endorse his views in this regard. Canada is the third largest trading nation in the world, being exceeded only by the United States and the United Kingdom. The well-being of this nation depends upon the volume of our trade with other countries.

This is true, of course, for every section of our population. It is certainly true of western Canada, for it is essential that the people of the prairies have a market for their wheat and other agricultural products. The same is true of the fisherman, whether he be on the east coast or on the west, and the same is also true with respect to any of the workers in our factories. The fact remains that if we want other countries to buy from us the things that we have to sell, then naturally these other countries will expect that we will buy from them. For that reason high tariffs do not promote trade. Tariffs are always a barrier to trade.

In view of certain restrictions that have been imposed on our exports by the United States government, I realize that some measure of protection is necessary for our industries. It is necessary that we promote their expansion and development and provide more opportunity for the creation of jobs for our people. But I believe the United States is at the crossroads today so far as giving economic leadership is concerned. They will have to decide, and decide soon, whether there is to be more and freer trade among nations. In this respect Canada has had the courage and determination to give leadership in attempting to break down the barriers to such free trade.

As one who represents a farming area, I sometimes find it difficult to tolerate the views held by some individuals who have a fatalistic attitude and regard farming as though it were the worst type of occupation. On the contrary, farming is one of the finest occupations in which one can engage. It may be that I hold this view because I was born and raised on a farm, but the outlook of the farmer is most independent, and with the advent of modern machinery farming no longer is the drudgery that it used to be years ago. I think hon. members will agree with me that with good and careful management most people who go into farming are able to do well.

But farming is also a very risky occupation, and it is often very discouraging and difficult. The farmer is subjected to declines in prices, as was the experience in the hungry thirties. He is subjected to weather conditions such as hail, drought, early frost, bad harvesting weather and, as was the case last year, excessive moisture. We are all aware of the serious crop failure experienced in the three prairie provinces in 1954, especially in the central and northern parts, and we can hardly expect to have another crop failure without disastrous results.

Some reference was made during the course of the debate to the Prairie Farm Assistance Act. I believe that act, which came into existence in 1939, is a great thing and a wonderful idea, but I agree again with the hon. member for Rosthern that in view of present conditions the payments should be broadened. I might go a step further. I pointed out a moment ago that another crop failure in the three prairie provinces would be disastrous to the farmers, and I wonder whether the government would not give consideration to seeing whether the farmers would not agree to an increase in the contribution they make. At the present time it is 1 per cent. It could very well be raised to 3 per cent or even more.

Perhaps some arrangement could be entered into with the provinces whereby, through the co-operation of the governments of the provinces and the federal government the farmer, in the event of a crop failure, would obtain much greater assistance than he is able to get at the present time. I would be glad if the leaders of the farm organizations would give this matter serious thought. Incidentally, I regard the farm organizations as most desirable and necessary, because their leaders have the opportunity to study various problems, to make suggestions and to advise governments, provincial or federal. For that reason I should like to know the feeling of the farm organizations about the suggestion I have made with respect to the Prairie Farm Assistance Act.

What I really want to bring to the attention of the house and the government is another problem which I consider to be serious, and which we are being confronted with in the farming communities. I am of course referring to the great difficulty that young men and women must overcome if they want to start farming. We realize that it requires a lot of capital, and because of lack of capital it is difficult for these young men or other people who are interested to make a start. We all realize that the very high cost of machinery as well as the very high cost of land probably requires a minimum investment, in our area at least, of $15,000 to start a farm. There are many people who wish to make a start who just do not have that kind of money.

When my grandfather came to this country some 60 years ago he was able to obtain a homestead upon the payment of a $10 fee. We are now living in a different age, however, and under different conditions. I think we still have enough of the pioneering spirit left in us, but as I say it still requires a lot of capital. You will find instances of families where there are four or five boys, and these families are able only to set one boy up farming. The other lads just are not able to make a start. They must move into some industrial centre such as Hamilton or Toronto in order to find a job.

What about the farm hands who are employed on salary? It is most difficult for them to save enough money to be able to make a start in farming. The same thing applies to many of our newcomers. Why should many of these people who have the qualifications and the desire find it necessary to move into industrial centres? There was a time when industrial centres were able to absorb these people, but often they only add to the problem of unemployment.

If I may digress for a moment, one of the serious problems we have in the prairie provinces is the lack of a self-sustaining population. If you were to compare the 1941 census with the census of 1951, which is the last census, you would find that in Alberta, although there was an apparent gain of some 140,000 people during that period, actually it was not a true picture of the situation because that figure does not take into account a very important factor, namely the natural increase. When I speak of the natural increase I am referring to the number of births in excess of the number of deaths. We have very accurate figures in that respect. When you take these figures into account you will find that the net loss of population in Alberta for that ten-year period was 9,500.

That is not very serious, but if you take the provinces of Manitoba and Saskatchewan the figures are much more serious and disastrous. In Manitoba the net loss of population was over 65,000. In the province of Saskatchewan there was a net loss of over 200,000. Therefore, you will readily see that the net loss of population in the three prairie provinces during that period from 1941 to 1951 was over a quarter of a million. This shows that we not only have failed in that period to attract people, but have failed to even keep those people who were already there. Many of these people have moved into industrial centres because they are areas where there is a great population, and a greater population offers better opportunities.

My point is that, whether in the prairie provinces or in any other province of Canada it is our young men and women who wish to go into farming and who have the necessary experience and desire who should be given an opportunity to remain on the land. I believe they would be able to make a much more valuable contribution to the wealth of this country if they were encouraged to remain on the farms where they desire to be. The fact is that it is almost impossible for a man to make a start in farming because of the amount of capital that must be involved.

What can be done about it? I can only offer a suggestion. May I point out that at one time it was impossible for many Canadians to own their own homes, and then along came the national housing plan. That plan was by no means perfect. It still probably needs changes. Some changes have already been proposed by the hon. member for Spadina (Mr. Croll). But the fact is through the operation of this act thousands of people in towns and cities became home owners who otherwise never would have been able to own a home.

What actually happened was that a scheme or a plan was set into motion without any risk on the part of the government or on the part of the lending institutions. It is not a case of a handout. It is a plan which was put into motion and which has brought a benefit to thousands and thousands of people in this country. I therefore ask why there should not be a similar plan for our young men and women who wish to go into farming.

I am not suggesting handouts. Some of you will say we already have legislation which tends to assist the farmers, such as that setting up the Canadian farm loan board or the Farm Improvement Loans Act. This legislation is intended to assist those people who have already made a start in farming. It is a case of enabling them to buy better equipment, improve their homes, or purchase additional land. But as far as I know there is nothing on our statute books which would tend to help the people who wish to make a start on the farm, along the lines of the national housing scheme.

Mr. Speaker, a plan similar to the National Housing Act, possibly with the co-operation of the provincial governments, could be, I think, brought into existence. Let me point out that we have already the basic machinery to set up this kind of a plan. We have the V.L.A. offices in various provinces. They already have the know-how, the knowledge to deal with these matters.

Since there is great room for expansion of our agricultural industry in this country I do not think we want these people who are suited for farming and who have a wide background of experience in that occupation to go into

something else when they are desirous of going into farming. I do hope the government will give this matter very careful consideration.

Mr. A. B. Patterson (Fraser Valley): It is not my intention today, Mr. Speaker, to contribute unnecessarily to the prolongation of this debate. However, there are a number of matters of vital concern to the residents of Fraser Valley, which electoral district it is my honour to represent. Therefore I shall endeavour to present them and deal with them as briefly as possible, while stressing them as vigorously as I believe their importance and urgency would warrant. As you are no doubt aware, the economy of the Fraser valley is quite diversified, and the problems to which I shall refer today have to do with different aspects of our economy.

A great part is played in my riding by those who are engaged in the fishing industry, and during the past several weeks it has been my privilege to discuss with them some of the problems with which they are currently faced. I should like first of all to refer to the closure regulations which are affecting them at the present time. I believe that as these regulations are imposed they will bring additional hardship on our people in this industry.

Last year the department announced that the closure on commercial fishing in the Fraser river above New Westminster bridge would be in effect on September 16, as a conservation measure. Following strong protests this decision was altered and the closure date for 1954 was set at October 8, for 1955 at September 30 and for 1956 at September 15. This modification was welcomed by the fishermen in this area, and in a letter to the Minister of Fisheries (Mr. Sinclair) I expressed the hope that after further consideration and investigation it might not be necessary to apply the earlier closures as set out in the statement.

Regarding the effectiveness of the closure measures last fall, I should like to read a short paragraph from the brief submitted by the gill net section of the Pacific fishermen and allied trades union. It states with respect to closure:

> At the time the suggestion contained in article 5 appeared our organization sent a brief to the federal minister of fisheries and also told him at an interview in Vancouver that the proposed measure would not only work a very great hardship on the fishermen and the businessmen of the area, but that the measure would not have the desired effect, i.e., to increase the number of parent fish reaching the local streams between New Westminster and Mission. There being no pink salmon run to the Fraser this year, commercial fishing was allowed to October 8 and then closed supposedly to conserve the chum salmon. Our contention was fully borne out by the fact that up to December 1, (when all commercial fishing automatically closed by custom in past years in the Fraser river) the showing of chums in the local streams mentioned was the poorest in history, showing plainly that the stopping of fishing above New Westminster bridge had no bearing on the matter.

Therefore I suggest that further consideration be given to this matter. As I have already said, I hope that in the future earlier closures such as have been suggested will not be imposed.

There was also the suggestion that the closure would prevent the taking of a poor grade of fish, which would obtain above this specified point in the river. In this connection I would call attention to two letters, one of which is written by the secretary of this union to the Johnston Fishing and Packing Company of New Westminster, British Columbia. It states:

> Gentlemen, the directors of the gill net section of our union are desirous of obtaining information as to the procedure used in handling salmon caught above New Westminster bridge. As you probably know, there have been a lot of loose statements as to the quality of salmon caught in this area and in order to arrive at the facts of the case we would be very much obliged if your company could answer the questions listed below.
>
> 1. In deliveries of salmon from your collectors to your plant are the salmon caught and collected above New Westminster bridge kept entirely separate at all times from salmon caught and collected in other parts of district 1?
>
> 2. In the process of canning salmon at your plant is a separate code mark used to differentiate between salmon caught above New Westminster bridge and salmon caught in other parts of district 1?
>
> 3. Does the government laboratory require certification from your company as to the place or origin of any parcel of canned salmon submitted by your company for inspection?
>
> 4. What percentage of this year's total pack was of grade "b" quality which was canned at your plant?
>
> Thanking you in advance for this and other information which may occur to you as pertinent to the quality of salmon caught above New Westminster bridge, I am,
>
> Yours sincerely,
> F. ROLLEY,
> Secretary.

In reply they received the following letter from the Johnston Fishing and Packing Company:

> Pacific Fishermen and Allied Trades Union,
> 298 Main St.,
> Vancouver 4, B.C.
> Attention Mr. Fred Rolley,
> Dear Sir:
>
> Replying to yours of the 4th instant in which you ask four questions dealing with the Fraser river fishing operations, our answer to the first three is "No" and to the fourth "None".

Therefore we have a picture of the situation as it exists, relative to the suggestion and contention that above the New Westminster bridge the fish are of poorer quality.

Another matter of concern to the fishermen is that while the maximum length of gill

nets for use in the Fraser river is only 150 fathoms, that allowed in the past in other areas, and for seiners, is 200 fathoms. Fishermen have told me that 150 fathom nets are only about 50 per cent effective, as the nets have a tendency to gather, whereas on the other hand 200 fathom nets remain at approximately their full length. In this respect these men are wondering why gill nets are all to be reduced to 150 fathoms while no reduction is contemplated for the seiners. There is also dissatisfaction over the fact that while gill netters are under constant and close inspection, little if anything is being done to enforce the regulations with respect to the seiners.

Then I have one further observation to make about the fishing industry. Last year a statement was made to the effect that a number of reconstructed seiners were to be permitted into Canada and given some tax concessions. They were required to spend at least two years in the deep-sea fishing industry. It is now brought to my attention that last fall at least one of these vessels was reported fishing right up to the very mouth of the river. The gill netters of the Fraser river are concerned about this and other problems to which I have referred, and are of the opinion that a concerted effort is being made, by restrictive measures imposed against small and independent fishermen, to force them out of the industry, so that further benefits will accrue to the large company-owned seine boats.

I call these matters to the attention of the minister and suggest that he will have to do a lot of fast talking—perhaps faster than usual—to convince fishermen that this is not so, if indeed it is not.

The second problem to which I would call attention is that of river bank erosion and flood danger. It appears that at least some of these problems are characteristic of the Fraser valley. I have not heard other members dwell upon them at length in any respect, but I can say that they affect mightily the Fraser valley. Before coming to Ottawa for this session I spent a good portion of one afternoon in the company of the reeve of Kent municipality, inspecting the river and protection work at several locations. There certainly is cause for immediate concern. From the annual report of J. L. MacDonald, provincial diking commissioner, contained in the report of the land service for the year ended December 31, 1953, and reported in the Fraser Valley *Record*, I quote the following:

> Within the memory of many the Fraser river has washed away vast acres of fertile land, replacing homes and farms with gravel bars. This destructive action is continuous. The effects are especially evident in the districts of Kent, Nicomen island, Matsqui and Pitt Meadows. On Nicomen island the Department of Public Works has had to move a road located outside the dike back from the river bank three times within a year. Remedial action will have to be taken.
>
> To find a solution to the problems which should attempt to control the cause, is not a simple matter. It will require comprehensive engineering investigation and study.
>
> Corrective measures are beyond the scope of local districts. The subject is of importance both to British Columbia and Canada.

In the one district of Kent I understand 1,200 acres of valuable agricultural land have been lost. At the present time farms are in immediate danger as the process of erosion continues. At one point the river threatens to break through the bank completely and cut another channel. If this were to happen, not only would it be disastrous to the farmers but it is questionable whether navigation would be possible through that section at low water.

Engineers have made a survey of the area and estimate that the cost of the required work would be in the neighbourhood of $43,500. The municipality is committed to $7,000 for river bank work during the current year, and it is completely beyond the ability of the district to assume further responsibilities at the present time. The nature of the problem is such that further delay in its solution will be disastrous not only to the few farmers near the bank but also to the entire community.

I might say in this connection that the natural process of erosion is tremendously aggravated by the passage of tug boats. These boats keep close to the bank in order to miss the strong currents, and one can stand and watch the wash as it strikes the bank and then recedes, carrying soil with it. We do appreciate the assistance given by the dominion government in this matter, but we urge that an effort be made to solve the whole problem permanently and allay the fears of those people who are in danger of losing large parts of their farms. What is true in Kent is likewise true in the other areas I have already mentioned, and also in Albion, further down the river.

I should like to refer again, as I did last year, to a matter which concerns the residents of another section of the Fraser valley, namely those who are living along the Vedder river. This matter has been brought to the attention of the Department of Northern Affairs and National Resources by the officials of the department of agriculture of the British Columbia government. The whole proposition has been presented, with aerial photographs and all the data required, and we were hoping that some positive action would be taken in this respect. We had

hoped that the dominion government would be prepared to give some substantial assistance in this matter. The Vedder river is gradually filling up the channel, until at the present time we find that for possibly three miles there is very little channel, and the river just meanders here and there. It is quite possible, in the event of a flash flood, that the whole area would be under water.

There are some valuable dominion government works in that section. Even although it is the judgment of certain officials that they are not in danger at the moment, there is a definite possibility that they would be in danger in the event of a serious flood developing. Therefore I again request that the Minister of Northern Affairs and National Resources further consider this matter and render some assistance in its solution.

Once again it appears that the government does not intend to do anything toward raising the pensions of our senior citizens. I have listened to the speeches of hon. members from day to day, and the fact that very few have even referred to this matter has given me some cause for surprise. I believe the senior citizens of our country are deserving of some real consideration at the present time. It appears that many of those citizens who have worn themselves out in building up our great country are to be forced to spend their remaining days in actual want, and that certainly most of them are in far from comfortable circumstances. The governments of British Columbia and Alberta have recognized the need for some action and are now supplementing the old age security payment by $15 a month. I understand that Saskatchewan still holds to the $2.50, and the other provinces are not contributing anything in this regard.

Last year this government balked at raising the war veterans allowance because they said it would jeopardize the progress of their social welfare program, but we find this year they have introduced legislation to raise the war veterans allowance. I do not know how much the increase will be, but I certainly hope it will be substantial. We hope that if this government cannot find it possible to increase old age pensions at this session—we hope they do—they will be prepared next session to bring in legislation to give better consideration to those who are elderly, to enable them to meet their living costs.

I have the honour to represent one of the great agricultural areas in British Columbia. One of the main problems confronting those engaged in certain aspects of agriculture in that area is the high prices they are forced to pay for feed grains. I have no quarrel with the prairie farmers in their endeavour to obtain a greater share of the national income. I believe it is coming to them; but the farmers in my area do object to paying a terrifically high price for products for which the farmer receives very little.

For instance, I have been given to understand that the farmer receives approximately $28 a ton for feed wheat. When our poultry raisers in British Columbia purchase feed wheat it costs $68 to $70 per ton. The freight charge from Regina to Vancouver would be in the neighbourhood of $13.40 per ton. Someone somewhere is receiving 100 per cent profit. I believe this situation warrants investigation, for this problem is of vital concern to the farmers in the Fraser valley and is one to which I sincerely direct the attention of the government at this time.

In conclusion, Mr. Speaker, let me voice appreciation for the measures being introduced by the government this session. I suppose the proper psychological approach would be to think in terms of a motion of commendation, but I shall reserve that for later in the session.

We welcome amendments to the War Veterans Allowance Act and the Veterans Benefit Act, although, as I have already intimated, we do not know to what extent the proposals will go. We would say that to be in any degree satisfactory the requests of the veterans organizations should be acceded to in full. I do not have to go into their requests in detail and place them on record again. They are well known to every hon. member, and I would suggest that the government would be doing the minimum by meeting those requests.

We are also appreciative of the amendment to the Unemployment Insurance Act. However, as other hon. members have stated, there are still many inadequacies quite evident in the legislation. There are still many who should be receiving benefits but who are classed as ineligible. A group of men came to see me several weeks ago and called to my attention the fact that despite their employment with Buckerfield's Limited they were not eligible for unemployment insurance benefits. These men might be classed as a marginal group. They are clipper operators and tow truck drivers, and therefore find themselves somewhere in between agricultural workers and those engaged in industry. I submit that in all fairness these men should be eligible for unemployment insurance benefits the same as others who are engaged in operations conducted by Buckerfield's Limited.

The disability pension legislation brought in last session and now proclaimed is wholly commendable but, as has already been stated, it is so restricted in its application that men who should be receiving assistance under the legislation are likewise ineligible.

We are also appreciative of other things such as the proposal regarding blind pensions and the legislation authorizing loans to fishermen similar to those provided to farmers under the Farm Improvement Loans Act. But again let me say that we are far from satisfied with the situation in regard to the other matters I have mentioned, and I would earnestly request that the attention of the respective departments be called to those problems and something be done to rectify them.

Mr. Charles Cannon (Iles-de-la-Madeleine): Mr. Speaker, at the opening of my remarks I wish to extend a most hearty welcome to the new Minister of Transport (Mr. Marler). I have had the honour of being one of his friends for some years, and I can assure hon. members, though it is something they will find out for themselves as the weeks go by, that in the new minister this house has made a very valuable acquisition indeed. His parliamentary experience, which is extensive, will be an asset to us. Apart from that he is perfectly bilingual, and that will give him the opportunity of being courteous and capable in both languages. I am quite sure that as far as Magdalen islands are concerned we will have with him the same pleasant relationship we had with his predecessor, Hon. Lionel Chevrier.

I also wish to welcome to this house a confrere from the Quebec bar, the hon. member for St. Lawrence-St. George (Mr. Richardson); also a confrere from the Ontario bar, the hon. member for Toronto Trinity (Mr. Carrick), who seconded the motion for the address in reply to the speech from the throne.

This brings me to the pleasant task of congratulating both the mover (Mr. Leduc) and the seconder of the address in reply to the speech from the throne.

(*Translation*):

I congratulate the mover of the address (Mr. Leduc) on the fine way in which he carried out his task. He remained true to the fine traditions of his predecessors who spoke in French in the house and he was a credit not only to his language but also to his province.

(*Text*):

It may be noted that after a Toronto lawyer moved the address last year, another Toronto lawyer seconds it this year, and I can only repeat what I said to his predecessor last year, the hon. member for York Centre (Mr. Hollingworth), that he acquitted himself very well indeed and fully measured up to the standard we expect from a member of the Ontario bar.

Mr. Fleming: It is a good city.

[Mr. Patterson.]

Mr. Cannon: Yes, but you may not be so well pleased with the remainder of my remarks.

Mr. Martin: Some might take exception to that observation.

Mr. Cannon: I am sorry I cannot congratulate the members of the opposition who have taken part in this debate so far. In reading over their speeches in *Hansard* I made notes on certain passages to which I would like to draw the attention of hon. members. To begin with, we find that the Acting Leader of the Opposition (Mr. Rowe), as reported at page 22 of *Hansard*, congratulated some members of his party on having obtained certain things from the government. For example, he congratulates the hon. member for Royal (Mr. Brooks) for having his plea heeded on behalf of the war veterans. He congratulates the hon. member for Vancouver-Quadra (Mr. Green) on his success with regard to Ripple Rock. He also congratulated the hon. member for Queens (Mr. MacLean) for having obtained a new ferry service, and the hon. member for Hamilton West (Mrs. Fairclough) and the hon. member for Ontario (Mr. Starr) on having obtained amendments to the Unemployment Insurance Act. Then a few lines further on he states:

> Can it be that this government has grown so strong that they think opposition is unnecessary, so strong that they think opposition has very little place in the present trend of events?

Well, Mr. Speaker, I may not have learned my logic at the same place as the Acting Leader of the Opposition, but I would draw the attention of hon. members to the fact that after having quoted several instances in which this government has taken representations by the opposition into consideration, the hon. gentleman immediately reproaches the government vehemently with not taking notice of the opposition and carrying on as if there were no opposition at all. To put it mildly that logic is not very consistent.

We on this side of the house could hardly believe our ears when we heard the Acting Leader of the Opposition in his motion propose that health insurance should be introduced at the earliest possible moment. All through the years we have heard the Conservative party oppose the proposition that we should have health insurance. They have wrapped it up with the rest of the social security measures of the Liberal party which they have labelled socialism, and they have always combated these suggestions. If I were a Conservative—and I am not, thanks be to God—I would be discouraged to hear the

acting leader of my party throwing aside Conservative principles for which they have fought for so long and trying to be more liberal than the Liberals, saying that he wishes to bring in a measure of health insurance that the Liberals have been talking about since 1919.

An hon. Member: Just talking about it.

Mr. Cannon: I know it is a long time. I just mention it in order to show that it is a matter the Liberals have been suggesting for a long time.

Mr. Fleming: At election time.

Mr. Cannon: I say that the people of the country will not be taken in by the late conversion of the Acting Leader of the Opposition and by the late conversion of the Conservative party. I say that the people of the country will not give their votes to the Conservative party because of that late conversion, but rather they will count on the Liberal party which has always been in the forefront when social security measures were concerned. As I say, they will count on the Liberal party to give them health insurance when the time for it has come.

Mr. Fleming: When?

Mr. Cannon: When the budget of the federal government will permit us to give it. They know it was we who seriously suggested it in the first place, and they know it is we who will carry it out when the time comes.

Mr. Fleming: When will that be?

Mr. Cannon: The hon. member knows as well as I do that at this time we cannot increase social security measures because of the great load that military expenses place on the budget. We all hope that eventually we shall be able to diminish these expenses. In the meantime it is not possible to increase social security measures.

Mr. Fleming: May I ask the hon. member a question?

Mr. Knowles: Will it be in the year 2000?

Mr. Cannon: Before that.

Mr. Knowles: Good.

Mr. Fleming: If it is not going to come into effect for perhaps another 36 years, does the hon. member not think it only fair to the Canadian people that the Liberal party should stop talking about it and stop making these idle, empty promises?

Mr. Cannon: It is not the Liberal party that is talking about it; it is the Conservative party.

Mr. Fleming: We are talking about campaign promises made at election time by the Liberal party.

Mr. Cannon: It was the Acting Leader of the Opposition who was talking about it. It was you who brought it up, not I.

Mr. Fleming: You have been talking about it at every election within living memory.

Mr. Speaker: Order.

Mr. Cannon: You will be surprised. In any event, it will come up much too soon for your liking. I can tell you that.

Mr. Rowe: You changed your mind rapidly.

Mr. Fleming: That is some more of your logic.

Mr. Macdonnell: Is that an announcement made, through you, by the minister?

Mr. Cannon: The minister makes no announcements through me. He is quite capable of making his own announcements.

Mr. Rowe: That whisper from the health department changed your mind very quickly, that it may not take 36 years.

Mr. Speaker: Order.

(*Translation*):

Mr. Cannon: And now, Mr. Speaker, I come back to the French language in order to direct a few remarks to the hon. member for Quebec West (Mr. Dufresne) who granted to himself a certificate—

Mr. Gauthier (Portneuf): He is absent.

Mr. Cannon: Unfortunately, he is absent but, nevertheless, he can read my remarks in *Hansard*. On page 225 of *Hansard*, he awarded himself, in a clear and intelligible voice and with abundant gestures, a certificate to be valid only at the end of this session, that of having accomplished his duty.

Mr. Gauthier (Portneuf): He has foresight.

Mr. Cannon: After referring to the end of the session, the hon. member stated:

I will then have—

That is to say, at the end of this session.

—the great and noble satisfaction of having done my duty.

Mr. Speaker, it is obvious that ridicule is fatal to none in Canada, as the hon. member appears to enjoy good health.

(*Text*):

Mr. Speaker, I can congratulate even less the hon. member for Burnaby-Coquitlam (Mr. Regier). I was not present in the house when he made his remarks about the province

of Quebec, but I read his remarks, and I could hardly believe my eyes when I read them. At page 121 of *Hansard* the hon. member is reported as having said:

> I contend that there is no part of Canada that is as ripe for advances by the communist party as the province of Quebec.

That, Mr. Speaker, is the greatest exhibition of colossal ignorance that I have ever heard or read in all my life. I would remind the hon. member that apart from the labour progressive party, under which name the communist party masquerades, the party in Canada which is closest to the communist party is the C.C.F.

Mr. Knowles: Now who is showing his ignorance?

Mr. Cannon: Before he talks about there being any danger of the communist party becoming powerful in our province the hon. member had better look to the other provinces where the C.C.F. party is in power or gets a large vote. It is in those provinces that there is a great danger of the communist party taking a foothold, certainly not in the province of Quebec. In Quebec we have respect for constituted authority; we have a true religious sentiment, and there is no danger of the communist party obtaining a foothold in our province. The hon. member for Burnaby-Coquitlam, in order to illustrate his point, again at page 121 of *Hansard* is reported to have said:

> In the city of Montreal the communist party polled about as many votes as the C.C.F.

In place of saying that the communist party polled about as many votes as did the C.C.F. in the city of Montreal, I think it would be fairer to say that the communist party polled as few votes as did the C.C.F. in the city of Montreal, because the C.C.F. never polled many votes in our province. It has an unblemished record of never having elected a representative in the province of Quebec either to the federal house or to the provincial house.

Mr. Winch: What about Fred Rose?

Mr. Cannon: He was a communist.

Mr. Winch: That is what I say. He was from your province.

Mr. Cannon: You are a member of the C.C.F.

Mr. Winch: Thank goodness.

Mr. Cannon: Are you identifying yourself with him? That illustrates the point I just made, namely that your party is closest to the communist party.

[Mr. Cannon.]

Mr. Ellis: That is why the communists supported the Liberals in 1945.

Mr. Cannon: I wish to turn my attention to the third party of the opposition, namely the Social Credit party. From my county I have been receiving letters cut out from the official newspaper of the Social Credit party in our province, *L'Avenir*. These letters, which are printed in the newspaper with the caption "Send them to your member", "Envoyez-les a votre députe", are accompanied by bunches of signatures that have been obtained in the constituency of Iles-de-la-Madeleine by the emissary of the Social Credit party who went down there for that purpose. These letters asked that military expenditures be reduced in order to double family allowances. They contain such demagogic phrases as "Families need more bread than guns to bring up children".

I should like the leader of the Social Credit party to tell the house and the country —because I say the country is entitled to a declaration from the man who is leader of a party that claims to be a national party— whether or not he is in favour of Canadian armament, whether or not he is in favour of Canada living up to the obligations it undertook with the rest of the western European nations to resist communism, whether he is in favour of Canada living up to the obligations that it undertook under NATO. I say that if he is in favour of these things the Social Credit party cannot in good faith tell the people of my county or of any other county that this country ought to reduce military expenditures in order to double family allowances.

I say that if the Social Credit party is in favour of our living up to our obligations under NATO and our obligations to the other free countries allied with us, its leader should denounce in the house and repudiate what has been done in my constituency in the name of the Social Credit party. I shall look forward to hearing him make a statement on that point.

An hon. Member: Who is in carpet slippers now?

Mr. Cannon: To the people of my constituency I say that first things must come first. If we are to preserve family allowances we have to preserve our liberty and our way of life. The old Roman saying, *si vis pacem, para bellum*, was never truer than it is today —if you want peace, prepare for war. It is

absolutely necessary that we be strong. Everybody knows that. The leader of the Social Credit party knows it. The emissaries of his party who went to my constituency to try to subvert the people there and make them sign silly petitions know perfectly well, as he and other members of the party here know, that these expenditures must be made. He knows that we have to be strong and that we have to combat communism if we are to retain our way of life and our liberty.

He knows also that our liberty and our way of life are essentials that we must have before we can have any family allowances at all, let alone double family allowances. I say to the people of my county that when the time comes to increase family allowances the Liberal party will increase them. The Liberal party was the party that introduced family allowances in the first place, and it can be counted upon to increase them when the revenues and wealth of the country permit us to do so.

On motion of Mr. Cannon the debate was adjourned.

On motion of Mr. Howe (Port Arthur) the house adjourned at 5.56 p.m.

HOUSE OF COMMONS

Thursday, January 20, 1955

The house met at 2.30 p.m.

HOUSE OF COMMONS

FIRST REPORT OF SPECIAL COMMITTEE ON PROCEDURE

Mr. Speaker: I have the honour to present the English and French versions of the first report of the special committee appointed to consider with Mr. Speaker the procedure of this house. If unanimous consent is obtained, concurrence might be asked later in this sitting.

Some hon. Members: Agreed.

HOUSING

REPORTED RESTRICTION ON LOANS ON HOUSING NEAR AIRPORTS

On the orders of the day:

Mr. G. K. Fraser (Peterborough): I should like to ask a question of the Minister of Public Works. Will the minister give the house more information with regard to the announcement that was in the press this morning that Central Mortgage and Housing Corporation is suspending all loans on housing that is within one mile of an airport? Does this mean government airports, all airports or just airports that jet planes will use or are expected to use?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, the hon. member for Nipissing (Mr. Garland) asked that same question yesterday, at which time I replied that it was the policy of Central Mortgage and Housing Corporation to consider each of these proposed projects on its merits. The whole situation with regard to property around airports is being kept under review for obvious reasons. I expect that later on I shall be in a position to make a more complete statement.

TRADE

FARM SURPLUSES—REPORTED DUMPING OPERATION BY UNITED STATES

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): I wish to direct a question to the Minister of Trade and Commerce. Has the minister's attention been drawn to a Washington dispatch appearing in the Saskatoon *Star-Phœnix* of January 15, stating that the house appropriations committee has recommended a straight, undisguised dumping operation to get rid of their large farm surpluses? Can the minister state the government's reaction to this statement?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I read the dispatch in the paper, and it is my personal view that there is nothing very alarming in the situation. The United States has had for some time a program of giving away certain quantities of wheat, and also accepting payment for wheat in local currencies. However, it is worth noting that the administration have been careful to consult Canada about the destination of these gifts and sales. I have great confidence that the administration will be careful in future not to interfere too seriously with Canada's normal markets. If that is done in future, I think Canada can live with the situation with which we may be confronted.

LABOUR CONDITIONS

REPORTED LAY-OFFS AT DOMINION ARSENALS

On the orders of the day:

Mr. J. H. Dickey (Parliamentary Assistant to the Minister of Defence Production): On January 18 the hon. member for Quebec West (Mr. Dufresne) asked the Minister of Defence Production (Mr. Howe) if he was aware that 40 women had been laid off at the Valcartier arsenal the previous week and 22 at the Quebec arsenal at the same time. He also asked that the house be advised whether or not other lay-offs are to be expected at these arsenals.

In answer to the first part of the hon. member's question, I am informed that the lay-offs to which he refers occurred at plants of the small arms ammunition division of Canadian Arsenals Limited at Quebec and Valcartier. The total number of employees in these plants at December 31, 1954, was 2,258. A contract for the production of 9 mm. rounds on which 500 employees were engaged is at present coming to an end. Canadian Arsenals Limited are therefore under the necessity of laying off a portion of the employees who were engaged on this contract. Forty-six women were laid off

on January 14, a further 45 will be laid off on January 21, and it is anticipated that another 50 will be laid off during February and March. The balance of the 500 employees referred to will be retained in connection with the production of 9 mm. rounds at a lower rate to meet present commitments, and also in connection with current contracts for other types of small arms ammunition.

In answer to the second portion of the hon. member's question, I am informed by Canadian Arsenals Limited that very substantial contracts which have been running for some two years are now coming to an end. The volume of work available depends upon the ammunition requirements of the Canadian defence services and other countries. We have been fortunate in having large orders which have kept the facilities of Canadian Arsenals Limited at both Valcartier and Quebec fully occupied, and some additional orders are in sight. It is inevitable, however, that as contracts are completed there will be a reduction in both production and employment, and it may be expected that approximately 500 employees will be laid off during the course of the next six to eight months.

POST OFFICE DEPARTMENT

REFERENCE TO ACCUSATIONS AGAINST DEPUTY POSTMASTER GENERAL

On the orders of the day:

Mr. Leon Balcer (Three Rivers): Mr. Speaker, I wonder whether the Postmaster General has had time to read the speech made by the hon. member for St. Boniface (Mr. Viau), and whether he can make a statement now?

Hon. Alcide Cote (Postmaster General): Mr. Speaker, I had time to read the speech, and I read it. The only information I have received so far is to the effect that the appeal to the civil service commission is still under consideration. I am asking for and I hope to receive all the information with regard to this case. Eventually I will satisfy my hon. friend by giving the full details in a statement.

(Translation):

COMBINES INVESTIGATION ACT

PULPWOOD—INQUIRY INTO THE DEALINGS OF CERTAIN COMPANIES

On the orders of the day:

Mr. Gustave Roy (Labelle): Mr. Speaker, I would like to ask a question of the Minister of Justice. Is it the intention of the government to conduct an investigation, following what the hon. member for Gatineau (Mr. Leduc) said last week, as to the existence of a combine between certain companies to control the maximum price of pulpwood?

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

(Text):

BRITISH COMMONWEALTH

REQUEST FOR DISCUSSION OF AGENDA FOR CONFERENCE OF PRIME MINISTERS

On the orders of the day:

Hon. W. Earl Rowe (Acting Leader of the Opposition): In view of press releases by the Prime Minister of Australia, Mr. Menzies, and the Prime Minister of New Zealand, Mr. Holland, regarding the forthcoming commonwealth conference, stating that they may discuss the entry of communist China into the United Nations and other matters mentioned by Mr. Holland, would the Prime Minister tell the house if he has given any consideration as to what Canada's position will be on these matters?

Right Hon. L. S. St. Laurent (Prime Minister): Yes, Mr. Speaker. All suggestions as to what might be under discussion at the conference have been given careful consideration. I have had, with the Department of External Affairs, memoranda prepared on these different subjects. But as I said the other day the main purpose, as I envisage it, is to devote our efforts toward recommendations to our respective governments that would ease rather than complicate the international situation. It is in that frame of mind that I will be approaching all these questions. I think the commonwealth can be a very useful and effective instrument in furthering the consolidation of the precarious kind of peace in which we are living at the present time. We will be devoting our energies to trying to find a common approach to these problems that will be a contribution to the efforts to maintain, stabilize and improve the present situation.

Mr. Rowe: If I may be permitted, Mr. Speaker, I am in full agreement with the Prime Minister's objectives, and we can all agree with the generalities; but in view of the complexity of the problems and the trade situation, which is so vital and so important to Canada at this time, I would ask the Prime Minister if he would not give consideration to providing an opportunity for some discussion. It seems very strange and unusual that we do not have the opportunity to consider some of these problems now that parliament is in session. In view of the fact that the Prime Minister is leaving a week from tomorrow, I believe, I urge and

strongly recommend to the Prime Minister that the debate on the speech from the throne be adjourned long enough to have at least a day's discussion in the house on the issues that may come before the conference.

We are, I believe, to discuss the Paris agreements today, and I think the Prime Minister intimated yesterday that these other matters might also be discussed. I submit with all respect that there is no relationship whatsoever between the Paris agreements and the forthcoming commonwealth conference. We are quite satisfied to discuss the Paris agreements and their ratification. Everybody is keenly interested in that matter and is prepared to depart from the ordinary custom of proceeding first with the speech from the throne. But in view of the Prime Minister's coming visit to London and the fact that he is leaving in about a week, I ask and strongly urge the Prime Minister and his cabinet to give consideration to letting the house know something about these matters. We have many proposals we would like to make that might be discussed. I understand that Right Hon. Sir Winston Churchill, Prime Minister of Great Britain, has said that anything may be discussed—

Mr. Speaker: Order.

Mr. Rowe: —and these other prime ministers are telling their people what is going to be discussed. I submit that now with parliament in session we should have a discussion of these matters, and I suggest that the No. 1 item we would propose for the agenda is trade.

Mr. Speaker: Order.

NATURAL GAS

PROPOSED PIPE LINE FROM ALBERTA TO EASTERN CANADA

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce supplementary to the question asked yesterday by the hon. member for Calgary South (Mr. Nickle), when he asked whether it is now the intention of the government to facilitate the financing of the all-Canadian gas pipe line by a government guarantee of principal and interest of bonds issued by the pipe-line company. The minister will recall that he said the government has taken no action along that line. May I ask him whether the company in question has asked the government for such a guarantee?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I do not think I can add to my answer of yesterday. Government actions are announced, and until such actions are taken it is not usual to announce them. No action has been taken in the matter. There is nothing I can add to my answer.

Mr. Knowles: Then we will assume that the company has asked for it.

Mr. Nickle: Inasmuch as some consideration is apparently being given to the suggestion that the government guarantee the bonds of the pipe-line company, could the minister state whether or not any consideration is being given to making the pipe-line project east from Alberta more feasible by considering the revision of gas pipe-line design, route and markets?

Mr. Howe (Port Arthur): Continuous attention is being given to the problem. We will be glad to look into the question raised by my hon. friend when we get around to it.

NORTH ATLANTIC TREATY

APPROVAL OF PROTOCOL ON ACCESSION OF FEDERAL REPUBLIC OF GERMANY

Hon. L. B. Pearson (Secretary of State for External Affairs) moved:

That it is expedient that the houses of parliament do approve the protocol to the North Atlantic treaty on the accession of the Federal Republic of Germany, signed by Canada at Paris on October 23, 1954, and that this house do approve the same.

He said: Mr. Speaker, in rising to speak to this resolution—or rather I should say, in view of the state of my voice, in attempting to speak to this resolution—I am afraid I will have to crave the indulgence of the house in that, voice permitting, I think it will take me longer to go into this important matter than I would normally like to detain the house. But it is, Mr. Speaker, and I am sure hon. members will agree with me, a very important question indeed. I doubt whether any matter placed before the house this session will have greater long-range implications for our country and for peace. Because of its importance I should like to examine this particular protocol in its context.

What is that context? Part of it is the series of related agreements which were worked out at the London and Paris meetings last autumn, and which with this particular protocol make up a co-ordinated program. But more fundamentally the context in which we should consider this protocol is, I think, nothing less than the present position of the cold war and our chances for peace.

Incomparably the most important political problem facing Canadians today is the danger of that cold war becoming a blazing thermonuclear one. We know that such a war, of course, would threaten the very existence of every nation, indeed of the whole human race. The supreme task of statesmanship today, therefore, is to act so that the fantastic physical power which scientists are placing at man's disposal will be used not for warfare but for welfare.

Related to this danger of thermonuclear war or thermonuclear annihilation is the problem posed by totalitarian imperialism. The communist dictators have already dragooned hundreds of millions of men into highly centralized empires which deny the dignity and worth of the individual except as a creature of the state. This imperialist and materialist conspiracy has recruited its dupes in the rest of the world and organized them into fifth columnists. It thereby seeks, through propaganda and subversion, to foster disunity in the non-communist world while it expands the area of its own direct control by coup d'état or military forces around its periphery in Europe and in Asia.

Facing up to these fundamental problems, there are three main areas in which we must seek to advance. The first area involves a search for agreement on effective disarmament, substantial enough to lessen the burden of present defence expenditures and including the total and effective prohibition of all weapons of mass destruction. But such a program must be carefully balanced to avoid creating the incentive to aggression, and with reliable safeguards, inspections and controls to guarantee that it will be carried out.

For years, Mr. Speaker, the Canadian government has taken an active part in the search for such an agreement. Last autumn at the United Nations assembly the Canadian delegation, I think it is fair to say, took the lead in submitting proposals of certain principles and procedures with a view to further negotiations on this vital matter. These proposals, after arduous negotiations conducted on the western side, under the skilful and devoted leadership of my colleague, the Minister of National Health and Welfare (Mr. Martin), won the unanimous approval of all the governments represented at that world organization. We will continue, Mr. Speaker, to do all we can to pursue agreement on effective disarmament.

As I see it, there is nothing inconsistent between this policy and the agreements I am about to discuss. Indeed, if the communist powers would accept the level of armaments, as well as the limitations and controls, in these agreements, we would be well on our way to a universal United Nations disarmament treaty which would make limited defence arrangements such as NATO and those under the western European union unnecessary. The limitations on national prerogatives involved in the provisions of the relevant Paris agreements, dealing with the maximum size of forces, with international inspections, controls and deployments are, I suggest, significant as a development illustrating to the world at large that international supervision and control of national armaments is possible, granted a genuineness of desire and a willingness on the part of nations effectively to harness and check the destructive potential of national forces.

It is true that the Paris agreements apply only to a limited group of nations. They are, however, not only consistent with but may some day be recognized as a useful precedent for an effective universal system. Meanwhile, Mr. Speaker, pending agreement on such a universal and therefore a better system, an essential step in maintaining peace lies in building and in maintaining controlled and defensive strength in the free world to deter aggression. That, I suggest, is the second area in which we must move forward.

The third area in which progress is essential, and this area is the most fundamental of all, lies in improving relations between states; in removing the causes of war and in the development of the international community, which involves fostering wherever we can an effective sense of co-operation and unity amongst the free peoples. We cannot do very much to promote this idea amongst the unfree. It involves patient efforts to heal national rivalries, to heal the causes and tensions of war, and to bind the peoples together. Yet we cannot afford to be naïve or unrealistic; so while we must do everything we can to make war impossible, through trying to resolve issues that divide, and promote co-operation through the United Nations and elsewhere and through seeking effective disarmament, we must, as I have just said, consolidate our deterrent strength and by removing the greatest temptation of all to aggression which, in the present circumstances, is weakness, strengthen the chances of peace.

I believe that our activities in the development of the north Atlantic community are a vitally important contribution to this specific purpose. For the time being at least, in this tense and dangerous world, the unity and strength of the north Atlantic nations unquestionably provide the most important and immediate existing guarantee of peace. But the north Atlantic community—this has been said many times before—is potentially

far more than a military alliance. These other non-military aspects of the development of NATO will, I think, grow more important as the military danger recedes, as we must hope it will in the course of time. The attitudes and agencies of co-operation among these free nations which NATO fosters can then remain to chart the way to a better state of society long after the present danger of military aggression has passed into the limbo into which history eventually tosses all tyrannies.

So, Mr. Speaker, I am asking the house today to approve the adherence of the federal German republic, not only to the North Atlantic defensive alliance but also to this north Atlantic community which we are seeking to develop, and to which the free and democratic Germany of today has the right to belong. The Soviet government and its satellite governments are seeking to prevent this development by an unparalleled campaign of intimidation, of cajolery and distortion, by the exertion of every kind of pressure through the lure of promises and the threat of punishment. In our own country the communists are doing all they can, of course, to further this campaign, by a propaganda barrage focusing on the statement that a vote for this protocol is merely a vote for German rearmament. Such an oversimplification is grossly misleading. It is, indeed, the most insidious type of distortion, a fractional truth.

Communists themselves, as agents of Moscow, have so far abandoned intellectual integrity and simple honesty that it is futile to try to enlighten them by discussing their charges. But in this case their campaign unquestionably strikes some response in the hearts of many honest and sincere Canadian patriots, who have good reason to remember and fear the dread effect of German arms. It must therefore be objectively and exhaustively examined.

There are several significant features of the Paris agreements which we have to consider today. It is I think reasonable to expect that in the long run the most fundamental and durable of these features will be, first, the restoration of German freedom and sovereignty—that is, freedom and sovereignty to the people of West Germany; second, acceptance of the voluntary adherence of these people to the western coalition. Those two features, as I see it, are fundamental.

The third feature of course is the provision that is being made for the federal German republic, in the exercise of the first right of sovereignty, to bear a fair share of the common burden of defence in the North Atlantic Treaty Organization, through the western European union. In this connection I think hon. members would delude themselves if they conceived of the people of the German federal republic today as a nation of militarists straining at the leash for freedom to rearm, to tax themselves for weapons, and to conscript themselves for military service.

The fact is that in Germany, as elsewhere, there is revulsion against war and militarism from which Germans as well as the rest of us have suffered so much and so recently. In the Federal Republic of Germany today as elsewhere in free countries, rearmament, when it is supported—and there is a strong body of opinion in Germany which does not support it, some from good motives and some from bad motives—but where rearmament is supported in Germany today, as it is supported by the freely elected government of that country, it is generally regarded at best, as indeed it is here, as a tragic necessity.

In Germany as elsewhere moods and attitudes can change; but at present the situation is, I think, as I have described it. West German policies are of a kind which merit our support, and West German leadership is of a character that we should encourage. Indeed, Mr. Speaker, if that leadership had been in existence in Germany in 1914 and 1939 we would have avoided, I think, two world wars. Nothing, it seems to me, could be more calculated to discourage the development of healthy political forces in Germany, or to encourage a dangerous relapse into narrow nationalism and disillusionment with democracy, and ultimately into dangerous militarism, than a rejection by the parliaments of the west of the plans worked out by the democratic government of Germany and other western democracies for the integration of that people into the west European and north Atlantic communities, where they can play a proper and worthy role.

It is also a gross distortion to represent the London and Paris agreements as an aggressive move which threatens the people of Russia. It is too late in the day to be surprised by the falsity and hypocrisy of Soviet propaganda in this matter, but I am still sometimes astonished by the continuing gullibility of some who are taken in by it.

So let us not forget, and let us keep on emphasizing, that the defence policies of the west in EDC or in NATO or in these Paris agreements are not the cause but the result of the aggressive policies of Russian imperialism, and of the huge communist armies backing those policies; of aggressions in Berlin, Czechoslovakia and Korea. It was all this, with the fear that followed it, that forced

the world reluctantly to regather some of the strength it had thrown away in 1945, while Russia remained under arms on land, on sea and in the air.

It is also worth recalling in particular that the Russians began the rearmament of Germans in the eastern zone as long ago as 1948, when there was not a soldier in the federal German republic. The communists have made a transparent effort to disguise this by calling the armed forces in East Germany, which they had organized, barrack police. Quite apart from some 80,000 frontier and civil police, there are almost 100,000 more of these barrack policemen organized into army corps and divisions, and into air force and naval formations on Soviet lines. The East German army units have some 600 tanks, 250 self-propelled guns and 1,700 other pieces of artillery. Any ex-nazi who wishes to sell himself to communism is welcomed into these forces and into their leadership. Their strength would be even greater if the communist masters felt that they could count on the reliability of more of their German subjects, if they were given arms.

For many years the Russians have also been organizing military forces in other European nations, including those who were our fascist enemies in the last world war and are supposed now to be disarmed by treaty. There are, for example, about a quarter of a million Bulgarian troops, over 225,000 Hungarian troops and some 350,000 in the Roumanian forces. There are in all, 75 satellite divisions, some of them armoured, and over 2,500 planes. All are under complete Russian control, and in Poland that control has been carried to the point where the defence minister in that country is a Soviet marshal. But far more important even than these are some 500,000 Soviet troops in occupied Europe west of the Soviet frontiers, no less than 400,000 of whom are stationed in Eastern Germany, where they are the European spearhead of the 175 divisions of the Soviet army.

So much, then, for the absurd contention that the present western defence program is a hostile, aggressive move which threatens the Russians and their peace-loving friends, who have never had any policy or any plan, so we are told, except peaceful coexistence in a world without arms.

We should also examine the false assertion that the adherence of the federal German republic to the west European and north Atlantic communities would make the west responsible for perpetuating a partition of Germany, which the Soviet union would like to see ended. It is worth recalling in this connection that the original plan, which was agreed to at Potsdam in 1945 among the four victorious allies, called for a peace treaty with a democratic, freely elected all-German government. Hon. members will recall, I am sure, the frustrating years when, despite western efforts to implement the Potsdam agreement in this regard, the Soviet government refused to allow their zone to co-operate, economically or otherwise, with the three other zones of Germany. The Soviet rulers had decided that unless and until they could ensure a united Germany which would do their bidding, they would make of East Germany a communist puppet state, which of course they have done. And so it was this policy that resulted, in September 1949, in the creation of the German federal republic, in order to achieve the maximum degree of democratic unity which was possible in the circumstances.

There are those today who are saying, some with sincerity but others, the communists, with calculated deceit, "Why do we not have one more conference with the Soviet on German unification and on a peace treaty before taking the final step to ratify these agreements?" Mr. Speaker, I would remind those persons that from October, 1950, until the present time there have been at least 16 occasions on which France, the United Kingdom and the United States, the occupying powers of Western Germany, have in notes to the Soviet government, or the government of the German federal republic, in notes to the authorities of East Germany, proposed, as a basic condition of agreement on German unification, the holding of free elections under a form of international supervision which would ensure that those elections were honestly carried out.

One of those occasions was the conference in Berlin among the foreign ministers of France, the United Kingdom, the United States and the Soviet union, which took place less than a year ago. For 25 days every possible avenue of approach to a mutually acceptable solution of the problems of German reunification, and peace treaties for Germany and Austria, was exhaustively examined, but all to no avail. Surely that conference exposed in a clear-cut and unmistakable way the obstinate refusal of the Soviet government to allow any settlement of the German and Austrian problems except on terms which, regardless of the wishes of the peoples themselves, would in effect guarantee the continuation of Soviet control of those countries equal to, if not exceeding, that already obtaining in the areas which they were occupying. There is no reason I can see to believe that this attitude has now suddenly

changed, in spite of the honeyed but ambiguous words which are now issued from the Kremlin and other communist centres.

A reason for, if no justification of, the adamant stand of the Soviet against German unity on the basis of free elections is shown by the results of two recent elections in Germany and Austria. In certain Austrian areas under Soviet army occupation—and this of course is very significant—our type of free election took place in August, 1954, and the result was a resounding repudiation of the communists; right under the intimidating shadow of Russian military might. In the Austrian provinces, all or partially within the Soviet zone, the communist party won only 6 out of 100 seats in Vienna and 3 out of 56 in lower Austria. The overwhelming majority of seats were divided fairly evenly between the two government coalition parties. In the two other provinces where elections were held the communist candidates failed to gain any seats at all. In West Berlin only a month or so ago, in elections for the Berlin house of representatives, the communists, under free elections, again could do no better than poll 2·7 per cent of the vote. They got about 41,000 votes against 684,000 for the Social Democrats, 466,000 for the Christian Democrats and 190,000 for the Liberal Democrats. No wonder the communists shudder at the prospect of free elections.

The Berlin conference then made it quite clear that an honourable and acceptable basis for German unity could not be found. Therefore surely the only possible course that offered any hope of progress was for the west to make its own arrangements with the German federal republic, without losing sight of the essential objective of unification, because Germans rightly insist—and we certainly should support them in this—that unification must remain the essential goal of German policy.

It is well to keep this background clearly in mind now that we are being urged in some quarters to scrap our present policy and agree to another conference with the Russians immediately; a conference designed by Moscow not, I suggest, so much to achieve constructive results as to delay and prevent the ratification of these agreements, and to divide and disunite the west.

Experience surely shows that we should refuse to be lured into this false course, but should follow through with the policy charted in the Paris agreements for the restoration of sovereignty to the German federal republic, the integration of this sovereign Germany into the western community, and the appropriate participation of Germany in that community's common defence effort to deter aggression. Once that has been done conferences or diplomatic discussions with the Soviet union on Germany, on Austria or on any other subject can be resumed and the west can then talk from strength and unity.

It was hoped about a year ago that we would implement this policy of German association with the west through the European defence community. Those hopes, of course, have been destroyed. We supported the European defence community. We supported it in this house two years ago. So it was with deep concern that we watched the dramatic developments of last summer when Mr. Mendes-France undertook to obtain at a special conference in Brussels the agreement of the other signatories to the modification in the EDC treaty which he claimed would be necessary if that treaty, after two years of indecision, was to be approved by the French parliament.

As we all know, the Brussels conference did not succeed, and soon after EDC was rejected entirely. The resulting dangers were great. Western solidarity and unity of purpose were shaken. The hopes which EDC has aroused for closer European unity and Franco-German co-operation and friendship were in danger of being replaced by disillusionment and despair. In the German federal republic the unceasing effort of Chancellor Adenauer to rally the German people to support a close and lasting alliance with France and with her other free European neighbours might soon be lost in cynical and destructive nationalism. The danger also existed that the allies, short of patience and dismayed by the difficulties entailed in devising a new European system, might try to disregard France and work out separate agreements with the Federal Republic of Germany.

During those months which saw the end of the European defence community, and indeed in recent weeks also, there has been talk of a European and Atlantic security system functioning without France. In my view this is careless talk, or worse, as it ignores the great importance of France politically, strategically and industrially. I do not think any Atlantic or European system of security really could be satisfactory or effective to which France did not willingly contribute.

The importance of France to collective European security is not restricted to its strategic or economic role. We should be poorer culturally and weaker spiritually if we had to attempt to arrange our own defences or those of our civilization without the participation of the country to which we owe so much. Therefore a western alliance which excluded France or which was forced on

France against the wishes of the majority of the population is not, as I say, a prospect which would be faced with any satisfaction by the Canadian government or people.

At this time it is well to remember that the danger last summer was not limited merely to the exclusion and possible isolation of France, fateful as that might have been. The very existence of NATO, the whole north Atlantic concept, was threatened. Just as there has been among some sections of Europeans an understandable, but in my opinion a superficial and mistaken, tendency toward what I might call continental neutralism or isolationism, so there has been among some North Americans a tendency to move toward either bilateral or continental defence arrangements. There was developing a few months ago a "go it alone" psychology in this part of the world, due in part to impatience with allies but rationalized by strategic theories, based on impregnable continental defences coupled with almost exclusive reliance for victory against aggression on massive retaliation by long range planes and missiles of intercontinental or global range. Certainly, as we all know, continental defences for North America are vitally important and may well become more important, but any implication that in themselves they would ever be an adequate basis for security is quite another matter.

I ventured to point out in an address to the National Press club in Washington last March that in my view any idea that the great coalition which we have formed for peace should be replaced by an entrenched continentalism would make no great appeal to Canadians as the best way to prevent war or defeat aggression. Nor would it be likely to provide a solid basis for good United States-Canadian co-operation.

Indeed the idea of continental self-sufficiency, in the military as in the economic or political fields, makes no appeal, I suggest, either to our sense of reality or to our deepest Canadian instincts as exemplified over the whole of our history. In 1914 and 1939 Canadians were quick to recognize that a threat to the democracies of western Europe was a threat to their own freedom; and subsequent events confirmed rather than upset this deep-seated conviction that it would not be safe or ultimately possible for us on this continent to stand aside from events in Europe. And so NATO, with the United Kingdom, the United States and France in it, is for us an indispensable instrument both for co-operation and defence. But last autumn NATO was in danger of being lost.

I may appear to be digressing, but certainly these thoughts were very much in the minds of those of us who had the responsibility for action on behalf of the government during the rapidly moving events of last summer and last autumn. I think it is well that these considerations should be put on the records of this house.

In this situation so full of danger which followed the French rejection of the projected European defence community immediate remedial action was required to weld together the cracks which were appearing in the north Atlantic structure and to continue the progress toward European unity which had been interrupted. It was more important, we felt at that time, to look ahead than to indulge in recriminations as to who was responsible for the set-back. It was in that spirit that we took part in the developments of that time.

The initiative to restore the situation came from the United Kingdom, whose earlier refusal to join the European defence community had heightened French distaste for that treaty. Therefore I am sure it was with a profound feeling of admiration and relief that all of us in Canada followed the skilful and untiring effort of the United Kingdom foreign secretary, Sir Anthony Eden, as with the strong backing of the United States secretary of state he gathered support in the main European capitals for a new approach to the problems arising from the failure of EDC.

As we over here watched those developments, while we were happy over the initiative taken in London, we were also concerned that any arrangement to replace the European defence community should not impair the strength and unity of NATO as the organization primarily responsible for defence planning and for co-operation in the non-military field, we desired that progress toward European unity should be made within the larger framework of the Atlantic community. We wanted all these things to be done within the framework of our north Atlantic organization to the greatest extent possible. For this reason we felt, and indeed we suggested, that the new proposals to replace EDC should be submitted initially to the North Atlantic Treaty Organization council for consideration. However, that idea did not command general support, and it became clear that the majority of the countries most directly concerned were in favour of the United Kingdom proposal for a conference in London of the countries signatory to the proposed EDC, along with the United Kingdom, the United States and Canada.

We were glad to support that procedure and to accept an invitation to attend the London conference as a country with a direct

and important stake in any arrangement to take the place of EDC, and as a member of NATO with sizeable forces on the European continent itself. As a participant in this conference we endeavoured with some success to stress the importance to NATO of the solutions which were discussed in London, and to ensure as far as we could that these problems should be discussed and solved within the NATO concept.

At these London meetings, which began on September 28, we were able to work out the broad lines of an agreement for associating the Federal Republic of Germany with the western community on a basis of equality, the only basis of course which was possible, and to further the aims of western defence and European unity within the North Atlantic alliance.

Moreover, it was recognized that these historic decisions together formed part of one general settlement which was directly or indirectly of concern to all the members of NATO. It was therefore agreed that the final act of the London conference, which outlined the main understandings reached, should be put into the form of more detailed agreements which would be submitted later, as appropriate, either to the four powers, the seven Brussels powers, or to the whole NATO council. That was done, and we met in Paris on October 22. All the resulting agreements were signed the next day, October 23.

I approach this result in no defensive, defeatist or apologetic manner. I think it was a great achievement. I can say that with more conviction because it was an achievement which others had far more to do with bringing about than we did. I think it was a great achievement, all the greater in view of the price we would have had to pay for the failure to bring it about, a failure which seemed so close only a few weeks before.

Mr. Speaker, I apologize for the length of time I am taking, but I believe the house would expect me to say a few words about the actual terms of the agreements, their general significance and also their particular relation to the question of German rearmament which is so much in our minds, as well as their significance to Canada itself.

These Paris agreements can be divided, for purposes of consideration, into four parts. There are the four-power agreements signed by the three occupying powers and the West German government, which provide for restoration of sovereignty to the German federal republic and for the present and future stationing of foreign forces on the soil of that republic. Then there are a series of seven-power agreements which provide for the reconstitution of the Brussels treaty organization to include two new members, namely Italy and the Federal Republic of Germany, into a new organization which we now call western European union. Then finally there are certain NATO agreements which include the protocol now before the house and certain resolutions designed to strengthen the NATO defence structure.

So far as the first series of agreements are concerned—and they are of immediate importance to Canada because we have troops in Germany—the special problem of the four powers was to determine how and when the federal republic should be given its sovereignty, in a manner which would permit it to function as an equal partner in the western coalition and which at the same time would not preclude eventual unification of all Germany. In addition, it was necessary to provide a legal basis for the stationing on German soil of foreign forces when the federal republic became a member of NATO.

In effect, what was done was to provide that the occupation regime, which was already pretty much of an anachronism, should be ended as soon as possible and that, in the meantime, until that regime ended legally and formally, the occupying powers would act in accordance with the spirit of the agreements under consideration.

Regarding disarmament and demilitarization, however, it was provided that the three powers should continue to exercise certain responsibilities until the federal republic became a member of NATO. Also the continuing responsibilities of the three occupying powers with respect to German reunification and a peace treaty are reaffirmed.

To answer the criticisms—and we hear criticisms—of those who might view the agreements as a deliberate step in the direction of the permanent division of Germany, the three powers issued a joint declaration during the London conference—to which later in Paris Canada and the other NATO members subscribed—which stated among other things:

> A peace settlement for the whole of Germany freely negotiated between Germany and her former enemies, which should lay the foundation of a lasting peace, remains an essential aim of their (i.e. the three powers) policy. The final determination of the boundaries of Germany must await such a settlement.

And further:

> The achievement through peaceful means of a fully free and unified Germany remains a fundamental goal of their policy.

That is the policy of the NATO countries. I am sure all hon. members would agree that

this statement of policy provides a fairly clear response to any who may maintain that in their efforts to associate the German federal republic with the west, the western powers had lost sight of the ultimate aim of a peace treaty for a united Germany.

I now turn to the second series of arrangements, which are intended to associate a sovereign German federal republic with NATO and with the move toward European unity which has been interrupted. When these agreements go into effect we shall have a new organization which we now call western European union. That new organization is essentially a modified version of the structure based on the Brussels treaty of 1948, with this one important difference which I have already mentioned. To the original members of the Brussels organization are now added Italy and the Federal Republic of Germany. So western European union can be considered as an alternative method of achieving much the same purposes which the European defence community had been designed to achieve.

There are, of course, some differences. There are in particular two main differences: The first difference is the inclusion of the United Kingdom in western European union with that historic, courageous and, in my opinion, far-reaching pledge which she gave for the maintenance of four divisions and the second tactical air force on the continent of Europe for another 44 years. The second main difference is that the European defence community placed greater emphasis on supranational features.

Western European union will have a permanent council, an assembly and an agency for the control of armaments to be set up by and under the authority of the council. The council will sit in London and the armament control agency is to sit in Paris, where it will work in close co-operation with the NATO secretariat and for carrying out its duties will use to the greatest possible extent NATO personnel.

I now come to an extremely important part of the WEU agreements, namely that part which gives Germany the right to rearm. Much attention has been paid to this right which it is now proposed to give, but not so much attention has been paid to the way in which it is limited and controlled. I should therefore like to put on record, Mr. Speaker, what these limitations and controls are.

The first is that the maximum forces to be permitted to Germany under WEU are the same as those which would have been permitted under EDC, namely 500,000 men organized into not more than twelve divisions with 1,350 fighter—that is defensive—aircraft. That number must not be increased except by the unanimous consent of the western European council. Second, all German forces, if and when they are constituted, are to be brought under the supreme allied commander in Europe, SACEUR, and are to be integrated into NATO forces. That means that there will be no separate German national army apart from NATO. Nor has Germany, under this agreement, the right to deploy her own forces. That can only be done by SACEUR, subject to political guidance from the NATO council. Furthermore, German forces—and I think this is extremely important—are to be dependent upon NATO rather than upon national logistic support.

It is worth remembering in this connection that the whole system of logistic support for forces in Europe, which includes such vital things as fuel pipe lines, transportation, communication facilities, air fields and other essentials for the conduct of modern war, has been organized on a highly integrated basis under NATO. As such it makes for economy and efficiency. But it would also—and this is probably more important in the context of the matter we are discussing—make it incomparably more difficult for any NATO country to operate its forces separately because they are mixed up, especially in such vital things as logistics, with the other NATO forces. In other words this provision involves important built-in safeguards against purely national action.

Third, Germany agrees unconditionally not to manufacture atomic, biological or chemical weapons and also not to manufacture long-range aircraft and guided missiles, mines, warships, except some small ones for coastal defence, or bomber aircraft; and she can only be relieved from these obligations by a request of the supreme allied commander, Europe, which received a two-thirds majority of the western European union council.

Fourth, certain other types of heavy armaments, a long list in fact, are to be controlled for all members of the western European union, including Germany, by the arms control agency of the western European union. There are other proposals for limiting and pooling the manufacture of arms which are at the moment under discussion in Paris.

Fifth, and I have mentioned this, there has been set up an arms control agency in Paris to work closely with the NATO authorities, and to use NATO inspectors to visit and check national plants for the production of arms whenever they see fit in order to see that the limits accepted are being observed.

Sixth, and finally, there are also certain political controls and limitations written into these agreements. Germany solemnly pledged at the London conference that she would conduct her foreign policy in accord with the principles of the United Nations charter and the North Atlantic treaty, and in particular she undertook:

. . . never to have recourse to force to achieve the reunification of Germany or the modification of the present boundaries of the German federal republic —and to resolve by peaceful means any disputes which may arise between the federal republic and other states.

If Germany should violate these undertakings a special provision contained in the joint declaration of the three powers, to which the other members of the NATO council later subscribed, would come into play. The pertinent paragraph of that provision, by which we would all be bound, reads as follows:

They—

That means the NATO powers.

—will regard as a threat to their own peace and safety any recourse to force which in violation of the principles of the United Nations charter threatens the integrity and unity of the Atlantic alliance or its defensive purposes. In the event of any such action, the three governments—

Now it is 14 governments.

—for their part will consider the offending government—

It might be the German government; it might be any other government.

—as having forfeited its rights to any guarantee and any military assistance provided for in the North Atlantic treaty and its protocols. They will act in accordance with article 4 of the North Atlantic treaty with a view to taking other measures—

That is, against the offending member of NATO.

—which may be appropriate.

Now, sir, I submit that it would be difficult to devise a more impressive set of safeguards than these. But I know that when I say this I will be asked what guarantee there is that they will work. Can we expect these limitations and controls that Germany has accepted to be of any value? Will she throw them aside whenever she feels like doing so? We are conscious of the fact that this has been done in the past.

Well, Mr. Speaker, all international agreements, even those we make with our friends and neighbours, have this element of risk and uncertainty. It is inherent in international arrangements; but some of those who now are stressing that element and challenging the value of these agreements with Germany are, however, quite ready to take the same risk in making another effort to bring about an agreement with Russia which they think would remove all our fears and uncertainties about Germany.

I frankly admit, however, that we have every right to be concerned with German good faith in this series of agreements. Many Canadians, including many of us in this house, and even more of our allies who are taking this decision with us and with all its consequences, bear on their bodies and in their minds scars from the German war machine. We remember how Hitler, with shocking and unscrupulous design, and with Soviet connivance and assistance, started world war II in 1939. We do not forget how the nazis conducted that war with savage brutality, and how the German people supported it.

While we do not forget that and cannot forget it, it is my considered view that support of these agreements with the safeguards I have described is both wise and farsighted, and of all the courses that are open to us this is the best course to follow in our effort to shape a better future.

I do not suggest that we should ignore the lessons of the past. Indeed, as George Santayana has said, "Those who will not learn from history are condemned to repeat it". But we should draw the right conclusions from the past, and we should also not ignore the vision of the future. Indeed, experience of the past teaches us that if a nation only looks backward to justify its fears of the future, it is likely by that very fact to suffer again the same tragedy which in the first place caused that fear. The past must influence but, I suggest, it should not determine and distort the future.

So, Mr. Speaker, it is because of my appreciation of history and not in spite of it that I believe the safeguards which we have worked out in these agreements within our North Atlantic community organization against unilateral abuse by Germany, or any other member, are of real value and make even stronger the case for a coalition which will include the Federal Republic of Germany with its sovereignty restored and on an equality with the other members. I also believe that the institutions and habits of co-operation which our Atlantic community is developing, and with which we now desire to associate Germany, may well be of even greater value than military safeguards in removing the risk that might follow from putting arms in the hands of Germans.

In the very nature of things there can never be on this earth, as I see it, absolute assurance or safety for anyone, individual or nation, because the future will depend among

other things on attitudes and choices which we shall have to adopt from time to time. But there are good grounds, I think, for reasoned confidence in this matter. Moreover, whether this confidence will be justified will depend upon our own policies as well as upon those of Germany.

We now have a type of government and a political system in western Germany which are democratic and European-minded. Surely —and I mentioned this a few minutes ago— we should do what we can to encourage and strengthen that type of government, not weaken it by suspicion, mistrust and rebuff. That government, moreover, is led by a man who believes in freedom, peace and co-operation, a great European and internationalist, Herr Adenauer.

It is also, I believe, reasonable to believe that national self-interest will counsel the Germans to stand by these agreements, which are not imposed on them but which have been freely negotiated with and accepted by the government which they have chosen for themselves. Surely in that respect the situation is very different from that of the 1920's, when relations of the victors in the war with Germany were characterized by uncertainty and vacillation. We never did make up our minds then whether to treat Germany as a new friend or an old foe, and as a result we got the worst of both worlds.

Quite apart from the pressing fact of the Soviet threat to western Europe it would, I submit, be wrong and foolish to deal with Germany now as a rejected, unequal people in international society. If we do so they will soon conclude that their choice lies only between isolation and a brooding introspection, or seeking domination and aggressive strength on their own. Surely the sensible course, even if the threat of communist aggression were removed, would still be to bring the Germans into the west European community, which includes the United Kingdom, and into the North Atlantic organization where they would only be one of 15 members, including the United States, and which they could not hope to dominate. It is precisely by such participation in partnership that nations as well as individuals learn to prefer co-operation and good will to domination and submission.

Though I can certainly understand and deeply sympathize with the hesitation and soul-searching which I know are involved for very many in the issues we face, it is nevertheless my conviction, I repeat, that the course of wisdom is to bring about German participation in the western coalition where we can work together for the common security and welfare.

[Mr. Pearson.]

I believe, Mr. Speaker, I should take enough time to examine another aspect of the matter. What are the alternatives? There is a good deal of criticism of this course, part of it sincere and genuine criticism, but very rarely do I ever read or hear of any satisfactory or better alternative than the one which is before us. What are the alternatives which would produce a better policy?

Well, the first—these are the only ones I have been able to think of, but there may be others—is to keep Germany disarmed and neutralized as at present. This might seem to many people an appealing course, and would indeed be so in a world where all arms were limited and controlled. But it is impossible under present circumstances. It was impossible in the twenties. How then could it be done now with the victors of the last war divided and bitterly hostile and in the face of the control of a rearmed communist East Germany by an aggressive, mighty Russian imperialist power? Is Russia likely to give up that control for a genuine international system of supervision of a disarmed, neutral and united Germany which, in its turn, assumes a situation in which the east and west would work amicably and altruistically together for a common peaceful purpose?

The question answers itself from the history of the last ten years. Even if it were possible, how long would a dynamic, powerful and proud people like the Germans—fifty millions in the heart of Europe—be willing to accept a position of this kind? In short, the neutralization or disarmament of Germany, as I see it, would be difficult under any conditions, impossible under present conditions. It would, in any event, leave a vacuum right in the heart of Europe. A vacuum may be regarded by nature as something to be abhorred, but it is regarded by the communists as something to be filled.

A second alternative would be to do nothing, continuing as long as possible the present occupation arrangements and hoping that something would turn up. As I see it, that would be a futile and negative course. What turned up would probably be a Germany increasing in strength, with a growing national feeling, taking advantage of every opportunity to end or whittle away the occupation and determined to remove restrictions on her sovereignty as she grew stronger. At best such a policy would lead to an increasingly resentful and unfriendly Germany. At worst the result would be reminiscent of the thirties, with extremists in control.

A third alternative which has been suggested would be to give West Germany back

her sovereignty unconditionally, but without making any arrangements for associating her with the Atlantic system or the western European union, and again hoping for the best. That might be followed by a separate alliance between Germany and one or more of those western powers which desired it; or the Federal Republic of Germany might remain outside any collective arrangement while we merely hoped, in our turn, that if there were aggression against the west she would line up with us. We would also hope, and I do not know what basis there would be for our hopes, that under such circumstances Germany would not move east or, even more likely, play the east and west against each other to her own advantage.

Any of the above courses I believe, especially in view of the declared United States policy, would mean the end of the Atlantic alliance we have been building up and which is now our greatest deterrent against aggression. It would also end the move toward European unification, which through these dreary post-war years has been a bright hope for peace and prosperity in free Europe.

We return, then, to the only possible solution in my view, bringing a free Germany into closer association with a group of other free countries in an alliance through which Germany may contribute to collective security, but which will be so constructed that no one member can possibly dominate the others.

Now, Mr. Speaker, before I resume my seat, I did indicate that I would say something about the effect of these agreements more particularly on Canadian policy and what, if any, the effect will be on Canadian commitments or obligations in Europe. I should like to apologize for the length of time I am taking.

Mr. Gillis: You are doing a good job.

Mr. Pearson: So far as the NATO resolutions passed last October are concerned, those resolutions have strengthened SACEUR's powers and have increased the mutual interdependence of NATO forces. So far as those resolutions are concerned, they will not make any significant change in the position of Canadian forces in Europe, because our forces are already closely integrated with those of other NATO countries. They are subject to the over-all authority of SACEUR in military matters. Their movement in Europe would take place only as part of agreed NATO strategy. Therefore the new arrangements—and they are outlined in the documents before you—merely set down in writing and make generally applicable the arrangements by which we are already bound.

With respect to the new territorial commitments involved in the protocol before us on German accession to NATO, the situation so far as Canada is concerned is similar to that which arose in June, 1952, when this house approved the NATO protocol extending to all members of the European defence community the assistance guarantee of the North Atlantic treaty. I pointed out in this house then that since the Federal Republic of Germany was the only member of the European defence community not a member of NATO the effect of the protocol, if it came into force, would be to extend the obligations which Canada had undertaken under the North Atlantic treaty to the Federal Republic of Germany.

I emphasized then, as I should mention now, that this extension of our obligations was more theoretical than real, because under article 6 of the North Atlantic treaty, by which we are bound, we were already under an obligation to come to the assistance of the NATO forces stationed in the territory of the German federal republic. The situation then, Mr. Speaker, is substantially the same under the present protocol in so far as extending our territorial guarantee is concerned.

While I am on the subject of commitments —and there has been some discussion about this previously outside the house—I should like to assure the house that the Canadian government took no new commitments in London or in Paris to keep Canadian forces in Europe at any given level or for any given period. What was emphasized at the conferences was our determination to continue to play our full part in the North Atlantic organization. As I stated to the nine-power conference in London last October—and this statement was made public immediately—

> As I see it, European unity cannot be effectively secured unless the lines not only across the channel but across the Atlantic are strong and unbroken. My country has a part to play in this Atlantic aspect of the problem. Therefore, we accept the continuing obligations arising out of our membership of the North Atlantic Treaty Organization, and we are resolved to continue to do our best to discharge them.

Also at the same time I declared to that conference:

> The North Atlantic Treaty Organization remains the focal point of our participation in collective defence and of our hope for the development of closer co-operation with the other peoples of the Atlantic community. As such, it remains a foundation of Canadian foreign policy. Indeed—

I hope I was correct in saying this; I think I was.

> —enduring and wholehearted support for NATO is for us a policy above politics on which I think our friends can rely.

As regards the proposals for an arms pool, which my hon. friend from Prince Albert

(Mr. Diefenbaker) brought up the other day, these proposals, which as I mentioned a minute ago were submitted originally by the French government, are now under active discussion among the European governments concerned. We are being invited to send an observer to those meetings when matters come up which are of interest to us. As this matter is under discussion it would be premature for me to comment on it now. But our direct interest in the arms pooling proposals would of course relate only to the allocation of Canadian arms made available through our mutual aid program to our allies in the North Atlantic Treaty Organization.

I may say that we are quite satisfied with the present procedure, and we are not anxious to have it changed—the procedure under which recommendations for the allocation of these arms are made by the standing group of the NATO organization. But if a proposal emanated from the conference which concerned our allocation of mutual aid, then of course we would give it consideration.

Now, finally—and this is final—I wish to come back just for a moment to the argument, the most impressive one to my mind advanced against this policy, that these agreements will not make for peace but will make for division and controversy and renewed trouble in Europe; that they will provoke the Soviets into violent reaction, and will drive that country into intransigent Stalinism again at a time when its government, under new leaders, seems to be getting somewhat more co-operative and less hostile.

As to the first, I do not think there is cause for undue alarm over Soviet threats to retaliate—and we have heard these threats in strong language—by forming a heavily armed eastern European alliance. While we should never dismiss pronouncements from Moscow as unworthy of serious examination, I do not think we should become unduly worried by Soviet "kicks" any more than we should become unduly elated by Soviet "carrots". Both are often offered for the same purpose, to weaken our resolve and confuse our purpose.

There is certainly no reality behind the threat of an eastern NATO, because they have now a military alliance system, as I have tried to show, which is already more heavily armed than NATO, and under complete Soviet control. There are certainly no limitations or controls over armaments or men or anything else in that line. They could hardly go any further. As to the second point, there is no possible validity to the contention that these agreements justify or make inevitable an intensification by the Soviet union of the cold war, at a time when it seemed to be lessening.

I point this out because in the harsh and unreasonable things which the Soviet government has been saying recently about western policies, there is the constant accusation that western nations respond to offers of peace and friendship from the Soviet union by the warlike action of arming Germans for an eventual attack on the Soviet union. It is hard to believe that Soviet leaders can make these claims seriously.

The Soviet government has never shown any inclination to discuss these agreements on a rational basis, or to take any reasonable attitude toward Germany or Austria. It has avoided constructive discussion and made no attempt to find out about or to seek reassurance on any point about western policy toward the German federal republic which it regarded as menacing to the Soviet union.

No one of course would deny to the Soviet union, which suffered so cruelly from German arms, the right to issue warnings about German militarism. But we cannot regard Soviet judgments on this subject as superior to those of other nations, which also suffered from the same source.

The logic of the Soviet position on this matter seems to be either that Germans in the German federal republic, regardless of the prior rearmament in East Germany, must never possess the right to carry arms, even within a defensive association which imposes controls, or that any arming of Germany can be carried out only on Soviet terms. Looking back a few years this logic seems pretty strange. According to it the western powers had no right to feel alarmed when the Soviet government, contrary to agreements with allies about the occupation of Germany and without any regard for the wishes of these people, armed its eastern satellites and bound East Germany into the monolithic unity of communist Europe.

The Soviet government now claims the right to regard almost as a provocation to war the culminating act of a slow process whereby the German federal republic, with the consent of its freely elected government and that of 14 other free nations, enters into an association which has as one of its chief purposes the prevention on a permanent basis of German militaristic nationalism.

So we would be unwise and shortsighted if we yielded to Soviet threats about what will happen if these agreements are ratified. Nor in my view will that ratification provoke

warlike retaliation, unless the Soviet government, for other reasons, desires to pursue such a belligerent policy.

I think myself, Mr. Speaker, that the chance that such retaliation will happen and war might follow are less now than they were last summer after EDC was rejected. On our part we have made it abundantly clear that NATO policies in Europe are defensive and pacific. Among many others, President Eisenhower and Mr. Dulles have both recently emphasized that the aim of the west is to be strong enough to defend itself, to be moderate in responding to the provocations of others, and to be active in seeking every means of easing tensions and ensuring peace.

We know that the political and moral values which we cherish and the political system on which we rely do not thrive in conditions of war or continued tension. Our preparations are made for defence only, and war is for us not a means of combating ideologies which we do not like. Therefore any genuine Soviet move to lessen tension, even if it affects only a limited area of international relations, should be welcomed by us, and we should be willing to go half way at any time to meet it.

There is, of course, the constant danger of conflict from a misunderstanding on both sides of each other's motives. In the west we remain with good reason alarmed by the threatening and aggressive policies of the U.S.S.R. in recent years. In turn I think it is not inconceivable, given the atmosphere of totalitarian isolation and ignorance in Moscow, that the Soviet people, and even certain Soviet leaders, may at times consider —sincerely consider—that they are threatened by the west. One of the great tasks in the next few years in diplomacy is to try somehow to bridge this gap in misunderstanding, to build what His Holiness the Pope recently so aptly described as "a bridge of truth" between east and west.

I wish in closing to reaffirm my confidence that we are on the right path, and that the agreements we drew up in London and Paris will make an important contribution to security and peace. From the foundations of defence strength and constructive unity, which they will provide the west, I sincerely trust that it will now be possible to convince the Soviet leaders of our firm intention, and indeed determined resolution, to defend ourselves without in any way menacing them, or without rejecting any opportunity to ease a state of international tension which is both sterile and dangerous.

For all these reasons, Mr. Speaker, I hope this house will give strong support to the resolution which is before it.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I join with hon. members who applauded the Secretary of State for External Affairs (Mr. Pearson) on a speech, powerful in its delivery and cogent in its lucidity. He drew a dark picture. He produced a calm in this house that I have never before witnessed.

As he spoke, hon. members in all parts of the house listened with that seriousness that is justified by the motion that is now before us. Was it a picture known in mythology as the analogy of Scylla and Charybdis? There seemed to be that alternative as the minister spoke and developed his forceful argument.

I doubt whether in the years since the second great war there has been a more momentous debate than the one before the house. It is the first time in the history of Canada that the House of Commons has been in a position where an adverse vote would not only defeat the motion before us but would render nugatory and ineffective the favourable decisions by parliaments in Britain, West Germany, France and the other members of this union. The defeat of this motion in this parliament would have the effect of putting an end to the agreements that have been entered into which become effective only by unanimous decision.

The international chain of collective security among the free nations depends on the individual links, and if any one of these links breaks the chain is destroyed beyond repair. I believe that was the reason for the seriousness displayed by members in all parts of the house as they listened to the revelation of the occurrences of recent days, detailed by one who by personal participation is aware more fully than the rest of us can hope to be of what took place during the days that followed the defeat of EDC.

There are many people in our country, Mr. Speaker, who while realizing the need for unity in defence measures in the forces of freedom because of their memory of two world wars, view these agreements with the fear that comes from their experiences of recent history. Only the other day Arnold Toynbee when asked "What is the future of coexistence?" replied "It is indefinite, uncomfortable, anxious and frictionable".

As the minister said, the free peoples have not forgotten. They cannot forget so soon after war. Because they cannot forget while the leaders of democracy ask for the mobilization of the forces of freedom based on faith,

others demand the permanent quarantine of Germany because of her record in history.

People are fearful. The course to follow deserved greater consideration than it will receive after the agreements have been signed. It would have been well if last September or October we in parliament had been given an opportunity of discussing the situation following the defeat of EDC. Today we find ourselves in a position where, the agreement having been achieved without consultation, we are faced with a decision based on an accomplished fact without having had an opportunity to discuss the terms of this decision made by Canada.

Parliament was convened to discuss the railway strike, a serious matter affecting our nation. Was there any less reason that the representatives of the Canadian people should not have been convened last fall to enable a discussion to be held on this problem, and to permit them to obtain information such as parliament has received today, which I hope even at this stage will remove many of the fears of thinking Canadian people?

I hope we shall not return to the practices of the former prime minister of Canada, the late Right Hon. Mackenzie King, who seemed to believe that restricted discussion of foreign affairs was of the essence; that only the cabinet had the right to know what was going on, with parliament being called in and the story of events placed before parliament in a restricted manner that limited discussion and denied parliament the opportunity to offer alternative suggestions or ask for clarification of the things which should be clarified. If the speech which my hon. friend has made today and the details which he has given had been given to the Canadian people earlier, much of the feeling that has been aroused would have been allayed, diminished or eliminated.

I do not want to bring in other subjects at this time, but I think that this should be an object lesson to the Prime Minister. He is about to attend the meeting of the commonwealth prime ministers. He should not go over with the secrets locked in his soul, but should notify Canada through its representatives in parliament of the attitude he intends to take at this conference, so that when it is over we will not be faced with accomplished facts about which we have not had an opportunity to even offer an opinion.

I approach the discussion of this motion on behalf of my party in an objective way. I am going to restrict myself to some matters to which reference was not made by the hon. gentleman. It would be an easy course to follow for the members of the opposition to stand in this house and place the responsibility for this measure upon the government, hoping thereby to take advantage of some of the honest fears of former members of the armed forces and their dependents who are concerned over the eventualities which may occur. That is not the course which the Progressive Conservative party intends to follow. We desire to be objective. I desire to discuss this matter in a non-partisan spirit, for after all this is a measure upon which the future and the freedom of our country depends. Partisanship has no place in frank discussion.

I hope that we shall not be mistaken in the course we shall take and that what has been done will be a triumph for faith rather than a victory for doubt; that we will prove that the soul of freedom is strong enough to meet the needs of the turbulent present; that out of the agreements that have been made, out of the ashes of frustration in the negotiations with the U.S.S.R. to which the minister made reference will rise a new world achieved by the extension of the area of collective security.

The Canadian people are interested in foreign affairs, as is evidenced by the fact that editorials in our papers and observations of those who write on the subject of international affairs are receiving more and more attention. I believe a greater dissemination of information on international affairs should be made to the Canadian people than is furnished by the magazine *External Affairs*. Useful as it is, in recent months it has betrayed evidence of self-congratulation of those associated with the Department of External Affairs.

We are now in a period of coexistence. Recently the minister gave a description of coexistence which I thought was particularly appropriate. He said that the U.S.S.R. idea of coexistence was that of Jonah and the whale. There is no denying the fact that the U.S.S.R. has adopted a new strategy of sweet words, a coaxing attitude and a smiling Molotov. This change of attitude has become the unsecret weapon of the U.S.S.R. The Soviets smile, but at the same time they try to create and foster discord among the members of the United Nations. Coexistence is a seductive word. One of their smartest pieces of propaganda ever developed is the use of that word.

We believe in coexistence. Coexistence means to us the handshake, but not the embrace. The U.S.S.R. has shown the smiling face lately while it continues its aggression by proxy. It has rejoined the international labour organization; it has joined UNESCO; it has offered a conducted welcome to those

who visit the U.S.S.R.; it has allowed the wives of diplomats to migrate; it has joined in the unanimous votes in the United Nations on disarmament, and in the setting up of an international atomic energy agency. It has been sweet and conciliatory; it has practised flattery and blandishment. It even offered to join NATO, which was analogous to Satan joining the anti-hell society. It is trying to coax by promises and to threaten by intimidation.

There have been tremendous changes since parliament last met. There has been the settlement in Trieste and the Saar; there have been the Anglo-Egyptian settlement and agreement and the Persian settlement. But the U.S.S.R. has not changed its objective. Nothing has been more serious than the revelation that for the last six months the secretary of the defence council in France each day delivered to the U.S.S.R. copies of the minutes of the meetings of the national defence council of France, and minutes which revealed the strategy of NATO.

The objectives of communism are unchanged. This is revealed by the declarations of the governments of the U.S.S.R. and the so-called republics of Poland, Czechoslovakia, the Ukraine, the German democratic republic, Hungary, Roumania, Bulgaria and Albania. It takes courage to be a member of parliament in any of those countries. In the 1950 election, of the members elected to the Volkskammer, in East Germany 49 have been shot and 59 have had to leave that country as refugees. I am just going to give one or two quotations from the declaration. It gives evidence of care in its preparation, power in its vision and deception in its concept. It states:

> The Paris agreements are directly at variance with the possibilities for further relaxation of the international tension which has come to light of late.

Later:

> Not only are these agreements alien to the interests of the German people, but they are directly spearheaded against the German working class, are designated to suppress democratic forces in western Germany.
>
> These agreements create a military bloc of aggressive circles of U.S.A., Britain and France with German militarism.

It maintains that the agreements are the product of great monopolies.

Then it says further:

> Rejection of plans for remilitarization of western Germany and her integration in military alignments, which would remove the main obstacle to the reunion of Germany on peace-loving and democratic principles;

And still further it says that the real security of Europe can be assured if instead of following this course we operate in co-operation with all European states irrespective of their social and state systems and thereby make possible by combined efforts of European states the safeguarding of peace in Europe.

My hon. friend has stated that meetings with the Soviets seldom lead to agreement. A simple example of ineffective negotiation is what has been done on the Austrian peace treaty. There were 352 meetings without settlement. Finally—and the threat is at the end—it says:

> Our peoples are confident in their strength, in their inexhaustible resources. The forces of peace and socialism are stronger and more solidly united than ever before. Any attempts to attack, to unleash war and to disturb the peaceful life of our peoples, will receive crushing rebuff.

First there is the cajolement and then the threat. They fear rearmament in West Germany, with 175 divisions of their own under arms and 80 divisions in their satellite countries.

Is German rearmament a new idea? It was first brought to the attention of the world by Ernest Bevin, who used these words some four and a half years ago:

> If West Germany is to be defended it seems to us only fair and reasonable that the people of Western Germany should help in their own defence.

On September 14, 1951, the three foreign ministers made the following declaration after the Washington conference:

> The three foreign ministers declare that their government's aim is the inclusion of a democratic Germany on a basis of equality in a continental European community which itself will form part of a constantly developing Atlantic community.

Out of that declaration grew the European defence community. It provided for the mobilization of 500,000 men and other forces to which the minister made reference. It provided an executive cabinet of all the member nations, a court of justice, an economic and social council, a house of parliament with two chambers, a senate and a house of representatives. It assured effective control of any German army that might be mobilized, because such an army would be part of an international army. The armed forces from Germany would find themselves not allocated to their own units but placed indiscriminately among the forces of other nations in an international army in much the same way as foreigners who join the French foreign legion lose their national identity in a common loyalty. France defeated that plan, the great concept of 500 years. It was defeated by France whose statesmen first gave it outline. As the minister has said, a vacuum was created at that time, and then the NATO defence system was put in a position to take its place. Mr. Dulles has set forth the basic

and stubborn facts with regard to what followed the defeat of EDC last September.

Effective military defence of Europe called for a substantial military contribution by Germany; Germany could not be subjected indefinitely to discriminations relating to her sovereignty and her right of self-defence; the prevention of war between neighbouring nations with a long record of fighting could be dependably achieved only by merging certain functions of their governments in supra-national institutions.

Out of those views and out of the wise leadership of Sir Anthony Eden. to which tribute was paid by my hon. friend, and the leadership of Sir Winston Churchill, out of what appeared to be the degradation of defeat of collective security for generations, grew the inception of the present system which, imperfect as it is, represents in my opinion the best of any of the alternatives that are offered.

NATO has been a pronounced success when the situation in Europe four years ago is compared with today. When you visit the headquarters, and when you see that leader of the democracies, General Gruenther, you realize the difficulties that he must have had in bringing together the clashing elements of national jealousy and the formidable developments that have taken place. Indeed, when General Montgomery was in Canada a little over a year ago he said this:

NATO—

Canadians recognize NATO as one of those things that was evolved out of a Canadian concept.

—is the strong right arm of UNO. Without NATO, UNO would achieve little. Together they can achieve much. Both are necessary. If NATO had come into being earlier there would have been no second war. In the strengthening of NATO lies the best hope of preventing a third world war.

I consider that the strengthening of NATO on the political side for purposes beyond those of defence is all-important.

The minister said the same today. I ask him now, to say when he replies, what has been done to make NATO an institution that can be held together only if we realize that we must merge some of our economic problems within the purview of its concept. What has been done and what is being done to make NATO an institution not altogether military in its concept? General Gruenther said this, and I think his statement is worthy to be quoted. He shows no aggressiveness in his attitude to the U.S.S.R. He shows firmness and statesmanlike vision. He said this while the London meeting was under way:

West German armament and the tactical use of the atom bomb would produce in three or four years a reasonably good chance of preventing the Soviet union from overrunning Europe. West German rearmament was necessary because the western powers needed a shield strong enough to hold while reserves were being mobilized. Tactical atomic bombing was needed to compensate for the immense numerical superiority of the Soviet bloc.

There is the background. The discussion of these agreements and protocols falls, I believe, into the ambit of four or five subjects with which I am going to deal now in somewhat lesser detail than I had expected, in view of the explanations given by the minister. What is the essence of the terms of these agreements? What are the safeguards against the resurgence of German militarism? What are the dangers if the projected course contemplated by these agreements is followed? What are the alternatives to these agreements?

The minister reviewed the agreements, and I am not going to do so again except to make one or two references. He set forth what the agreements provided for and he set forth some of the safeguards. The western European union will set up an agency for the control of armaments. The council will make an annual report on its activities setting out the statistics of the various countries and the land and air forces necessary to be provided after consultation with each of the countries. The supreme allied commander in Europe will have entire control over the armies that will be raised, their deployment, their use, and above all, as the minister said, the logistics, which is simply a term that implies and contemplates those things upon which armies march. Particularly, as I see it, the gas and the oil necessary for the instruments of war will be entirely under the control of the general commanding in Europe who can turn the tap either on or off as need requires.

The minister then mentioned the fact that Germany agrees not to manufacture atomic, biological or chemical weapons except with the unanimous agreement of the other members of the organization. For some reason the minister left out three very important words. The undertaking of Germany is not to manufacture these things within its own territory. I am going to ask the minister a question later as to why it was necessary to permit Germany to manufacture these things outside her own territory.

The agency that is to be set up to control rearmament will appoint a director who will gather and examine national statistics and budgetary information, and have before him also a full record of the types of armaments being produced. All forces, as I said a moment ago, will be under the supreme commander. The location of all forces will be determined after consultation with NATO. These, in short, are the safeguards, coupled with a declaration by Germany that she will

do nothing of an aggressive nature, and that she will live true to the principles of the United Nations Organization, in particular article 2 thereof. She undertakes also that she will never do anything to retrieve her lost territories or to reunify Germany. Of course these declarations, without safeguards, could well prove in the future to be hollow promises, unkept as were some other promises and undertakings of Germany in the past.

Britain made a great sacrifice in order to achieve this agreement. To keep the United States in Europe, to maintain the hopes and faith of France, Britain departed from her position of several hundred years and entered into an undertaking to remain in Europe for a period of some 40 years. Some of us were given to understand by the press of our country that this undertaking had also been given by the Secretary of State for External Affairs (Mr. Pearson) on behalf of Canada. The minister has stated today that he did not go that far, but what he said in effect, as I understand it, is that Canada will make the necessary contribution in order to live within the concept of the agreement entered into.

For 500 years Britain has always been of Europe and yet not in Europe. Now she becomes both, in the interests of world peace. Will the controls work? Will the annual review protect from resurgent militarism? All that we can do is to believe that the agreements will be carried out, policed as they will be by full inspection and reinforced by careful examination of the budget of West Germany. Lord Ismay, speaking in London last November, said that the annual review has been effective in so far as the nations now members of NATO are concerned. He went on to say:

> It is extraordinary, when you come to think of it, that countries should be prepared not only to lay the details of their national military production and fiscal programs before their partners, but also to be cross-examined upon them. Never has the principle of alliance been carried to such a pitch.

If the U.S.S.R. would accept similar inspection, might we not hope to achieve what the minister stated was the first aim and purpose of the democratic nations of the world today, namely, the abolition as an instrument of war for all time of atomic and hydrogen bombs? What are the dangers? The minister has pointed them out—Scylla and Charybdis. Lord Ismay, when he affixed his name to the agreements, used his personal seal upon which was inscribed this motto: "Have no fear". We have fears. While every eventuality cannot be covered by an agreement, I believe with the minister that what the agreement does is to cover everything within the contemplation of the nations who fear a resurgence of militarism, everything within the limitations of the sovereignty of another nation.

I cannot believe, sir—and I am leaving my own country now when I say this—that Sir Winston Churchill, after all the years that he warned of the dangers of militarism in Germany, can now be appeased by an uncertain agreement. I cannot believe that Sir Anthony Eden, who gave two brothers in the first great war and his son in the last, is going to be deceived into entering into agreements that have in their being the germ of another war. This is what Eden said:

> There are in these agreements all the safeguards it has been possible for human ingenuity to devise.

Then he went on to say:

> Out of these agreements France and Germany may work together in the confidence that can breed peace, instead of the suspicion that can breed war.

Have they not gone far in the Saar agreement? Germany gave up a great deal there in return for what was given up by other nations.

What of Herbert Morrison, the former foreign secretary, who said that this is the only alternative? I return now to the question I asked in all seriousness. Why was article I of part I of the nine power conference agreement worded as follows—I am going to take the time of the house to quote the entire section:

> The high contracting parties, members of western European union, take note of and record their agreement with the declaration of the chancellor of the Federal Republic of Germany (made in London on 3rd October, 1954, and annexed hereto as annex I) in which the Federal Republic of Germany undertook not to manufacture in its territory atomic, biological and chemical weapons. The types of armaments referred to in this article are defined in annex II. These armaments shall be more closely defined and the definitions brought up to date by the council of western European union.

Why were those words "in its territory" put in the agreement? Does that open the way to the building of armaments in the Saar once the Saar becomes internationalized? There must have been a reason for those words. On the face of them, they appear to leave the door open to the manufacture elsewhere of atomic and other weapons. These are striking words. What was the reason for this qualification? Certainly there must have been much soul-searching before those words were added to an absolute ban that could be lifted only with the unanimous consent to the agreement of the nations.

We ask ourselves, will this agreement turn into bitter disillusionment? We remember

the treaty of Rapallo in 1921. We recall the Hitler-Stalin pact of 1939. Will the decisions reached by this agreement ultimately become solutions? Those are questions, Mr. Speaker, that only time can answer. Whatever the answer may be, I believe that in those agreements the free democracies of the west have spoken with a free and united voice rather than in the uncertain babble displayed in the months prior to the defeat of the European defence community.

Will the agreement protect? I cannot believe that France, having suffered from militarism as no other nation has suffered, would have voted approval of the agreement unless she believed that. France knows from personal experience. France feels. France cannot forget. Yet when this question came before the assembly, they voted for it. When properly evaluated, it was a large vote. The vote was 287 to 260, which seems a very insignificant majority for such a tremendously important matter. However, if you count out the 99 communists who could vote only one way, you find that the actual vote of those who were free to vote as they would was 287 to 161. France took the view that failure to approve and adopt these agreements would indeed exact a terrible penalty.

The minister asked, what are the alternatives? That group of communist nations who met in Moscow on December 2 said: Just wait and see. After all, we have discussed this matter for only three and a half years. We have had 16 conferences, I think the minister said, but if we have the opportunity of having just one more, who knows but that we shall establish peace in Europe?

While they talk and prate and counsel "wait and see", they pile up 175 divisions and 80 in the satellite countries. As the minister said, they mobilize in East Germany armed forces to the extent, as I recall it, of 180,000 men.

What are the alternatives? I dislike quoting from what the leaders of other nations have said, but I cannot forget that when this matter was before the British House of Commons Clement Attlee asked in effect: in view of Germany's past actions should she not be disarmed? He answered by saying that it was a logical position, but not a practicable one. Eden said this:

> The failure to ratify the pact with West Germany would bring about consequences fearful to predict.

He said also that it would drive Germany once more along dark and dangerous paths. Where is she going if you create a vacuum, a no-man's-land in the centre of Europe? Do you not place that country in a position where, sooner or later, it will fall under communist control?

[Mr. Diefenbaker.]

Sir Winston Churchill saw the danger long before anyone else did. I heard him in the British House of Commons in 1936 when he pointed out that his own party was wrong because they were not mobilizing in the face of rising nazism. I saw Churchill in 1916 when he was in disgrace, when he came back from France wearing the uniform of the armed forces. The house emptied because Churchill was still in disregard, if not disgrace, over Gallipoli. I saw him in the role of a Cassandra in 1936 in the British House of Commons. Yes, he was right then, and others were wrong. We remember Eden when he refused appeasement. Has he changed?

On October 8, at a Conservative party conference, Churchill used these words:

> It would be disastrous to the human race to judge the Germans or any other peoples by past crimes committed in their names by dictators. Let Hitler take his name to hell. Let the peoples extend the hand of friendship and forgiveness to each other and walk together through the mysteries of life to freedom, justice and peace.

Scylla and Charybdis agreements are only as strong as the soul and the heart of the nations that enter into them, but the terms impose the greatest control ever imposed on any nation as a result of a conference.

What can Canada do? Well, Canada's contribution to NATO has been an outstanding one. I believe that we must maintain the strength of NATO, and that we should give Canadians a greater opportunity to understand NATO than ever before. Speak to the service clubs and to the public organizations of this country: how many of them have any realization of the responsibilities that NATO imposes upon our country?

I ask the minister this: under this agreement as it now stands, if a number under arms in Germany endeavoured to retrieve their ancestral capital of Berlin and if, as a result, the U.S.S.R. moved in, would we, under the agreement of NATO, find ourselves at war? The minister says no. There are conditions that place a different interpretation upon our responsibilities, qualified as they are in the manner indicated by the minister. I think Canadians as a whole will ask the minister to give that assurance in even more clear and unequivocal terms than he did today.

Believing that NATO should be strengthened, I am one of those who believe—and I speak only for myself in this—that a consultative assembly of NATO parliamentarians from each country might meet from time to time for a discussion and for an exchange of opinions, so that we in Canada would have a fuller realization of our responsibilities in the world of today.

The minister mentioned the contribution of Mr. Dulles of the United States. When and if these agreements are ratified, would it not be an impressive action on the part of the President of the United States if he were to reverse the order of things we have had in the last few years when Sir Winston Churchill has come to America? Because of his position as general commanding the forces of freedom in the last war, he still carries prestige that few possess. Would it not, I say, with the impact of the President's personality and of his persuasive powers, have a tremendous effect if, following the ratification and the approval of these agreements, he were to reverse the order and, himself, go to Great Britain and to France, and give them the reassurance of his presence?

Finally I make this appeal once more to the Prime Minister (Mr. St. Laurent). It was made today by the Acting Leader of the Opposition (Mr. Rowe). Let us, while maintaining these international organizations, be assured as well that our commonwealth will be able to speak with that degree of authority and power that its greater strength, its defences, its development and its economic possibilities will assure. Let us have that opportunity. We are not here to prejudice the Prime Minister, but we do want to have some idea, regarding these international matters affecting Canada and the commonwealth, as to what stands Canada will take before they are taken, rather than after they have become accomplished facts.

And now, fully aware of the dangers inherent in any agreements entered into, I should like to see this parliament, moved as it is by emotions consequent upon two world wars, make a decision with courage, wisdom and infinite compassion. Replete as it may be with danger, it is nevertheless circumscribed in such a way and to such a degree as human ingenuity can make it.

We are going forward. We failed after the first war. We were guilty of withdrawing and leaving Europe isolated. The United States never entered the league of nations. Canada and other nations treated their obligations with almost shameful triviality.

The aim is peace; the means, through strength. We have learned that peace cannot be achieved by chance. This is not an ideal agreement, but we must accept the world as it is. With world conditions as they are, these agreements may not achieve the world of our dreams. But I hope that they can assure a better and a safer world.

How many of us would have thought five years ago that the time would come when an implacable foe would join with us? The minister has said that history is a great teacher. History does teach the fallacy of finality. I believe that, subject to human frailties and human errors, these agreements represent an advance. Perhaps it is old-fashioned to hold this view, but I think the world contest will not be determined by nuclear weapons. I think we need faith. When there is a contest between good and evil, that is important.

Fears we have. For generation after generation men have faced the challenge of freedom. Those without faith have concluded that freedom was about to be destroyed in a glacial avalanche. But faith has always triumphed; and faith will triumph again unless we allow it to die in the grave of doubt and fear. As I see it, this is a step forward to justice under law. It has its dangers. It arouses its fears. But the stakes are high. The failure of this momentous scheme will exact a terrible penalty.

In that spirit, Mr. Speaker, it is the intention of Her Majesty's loyal opposition to support the motion.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, the motion moved by the Secretary of State for External Affairs (Mr. Pearson) reads as follows:

> Resolved, that it is expedient that the houses of parliament do approve the protocol to the North Atlantic treaty on the accession of the Federal Republic of Germany, signed by Canada at Paris on October 23, 1954, and that this house do approve the same.

I rise to support the motion. Of course, in saying that, I recognize that hon. members are faced with a decision, in common with the rest of the country, which is not easy to make. I agree with the hon. member for Prince Albert (Mr. Diefenbaker) when he said it is rather regrettable that we had not an opportunity to examine the proposals earlier. I should have liked to see the protocol, and the agreements which are involved in the adoption of this protocol, referred to the committee on external affairs so that there might have been a discussion there, and so that hon. members might have been better informed. Even those of us who have taken the trouble to do a good deal of reading in connection with this matter would still like some of the questions in our minds answered. In a discussion of this kind we are not in committee; we cannot question the minister. All he can do is to reply to the debate. It would have been very much better if these agreements and this protocol could have been referred to the committee on external affairs. That committee could have

been set up and perhaps we could have had an examination and the terms of the treaties involved explained to us, and then had the protocol before the house for approval.

As I have said already, I know from personal conversations, both in Canada and abroad, that there are widely held and genuine fears and misgivings concerning the rearmament of Germany. The hon. member for Prince Albert and the minister himself recognize that this is so. Let it not be said that those who conscientiously oppose the proposals are sympathizers either with the communist bloc, because they are so violently opposed to it, or those who are opposed to it are treating what we hope is an emerging democratic Germany as a permanently outcast nation.

I am certain that most members of the house know, as I know, that misgivings are shared by patriotic and peace-loving persons in all parties, in all walks of life and in all the NATO countries. In France, for example, the de Gaullists, the M.R.P., that is the Roman Catholic party, have on the whole bitterly opposed the present proposals for German rearmament, and these are not influenced by the communist party or by communist propaganda.

For my own part, I have given long and anxious thought to the protocol and to the problems of a rearmed Germany under certain conditions and limitations. So have all my colleagues, and I hope that all other hon. members have done likewise.

That we may come to different conclusions may be a matter of regret, but, certainly, under the circumstances, not unnatural or to be unduly disturbing. For my part, I believe that the best interests of the democratic world will be best served by admitting Western Germany to NATO—that is the purpose of the protocol before us—and then, under the guarantees set forth in the London and Paris agreements, agreeing to the suggested limited and supervised rearmament of the Federal Republic of Germany. But I respect the views of those who arrive at a different conclusion, and those views I hope will be put before the house by my colleagues, perhaps the hon. member for Winnipeg North Centre (Mr. Knowles).

In coming to a conclusion to support the protocol before us, I neither minimize widespread doubts and fears nor misunderstand them. What those of us who support the protocol are doing is to take, as I believe, a worth-while—if calculated—risk.

I said in a previous debate that it was unrealistic to believe that the democratic countries could undertake the defence of Western Germany in the event of aggression without the participation of German troops. I said that only within NATO and without establishing an independent German general staff should this be done. I believe the protocol and agreements provide these safeguards. Others may not think they are sufficient. But I do not dispute the contention that there are great risks. There are memories, as the hon. member for Prince Albert said, bitter memories, sharp memories of the horrors of two world wars, provoked by German aggression.

These memories make acceptance of any proposal for German rearmament difficult. But let me remark that the leaders, including the socialist leaders of all the democratic countries which were subjected to devastation and attack, have given public support to this protocol. I should say, lest there be any misunderstanding, that a majority of those attending our convention last summer and our national council more recently were fearful of and opposed to German rearmament before a further attempt had been made to negotiate a satisfactory agreement with Russia on German reunification. That the risks associated with German rearmament are recognized by the sponsors of the proposals is evident in the lengths to which they have gone to restrict the size of the armed forces Germany may recruit and the weapons she is allowed to manufacture and use. That was quite evident in the speech of the Secretary of State for External Affairs (Mr. Pearson) this afternoon. Those who think that even these are insufficient point to the former nazis who may be given influential positions in the new German army. That is something that the western powers must watch and resist.

Our preoccupation with aggressive international communism—and it is international and aggressive—must not blind us to the dangers of admitting a sovereign Western Germany into the family of nations. To my mind, however, refusal to do so would cause bitterness and might have the effect of causing them to look behind the iron curtain for support. After all, Germany has looked in that direction before and could do so again, particularly as her economic interests have been largely centred in eastern Europe in the past.

Many who oppose these proposals point this out with the added fear that since Russia alone can satisfy Germany's demand for a revision of her present boundaries, she may, when rearmed, use her stronger international and military position to bargain with the east as well as with the west. That has to be watched.

In 1939 Hitler and Stalin made an unexpected agreement which touched off world war II. We must beware lest the reunification of Germany, the revision of boundaries and German economic interests cause her to take the other side in the cold war if we rebuff her now. Hatred of communism did not prevent the nazis from coming to terms with the soviets in 1939.

Many undoubtedly fear that the safeguards and the pledges made by Herr Adenauer may be ignored by a strengthened Germany which in the past has been and may be again the dominant power in central Europe. Care must be taken that the provisions of the Brussels treaty controlling the level of stocks and the production of armaments as well as the prohibition of atomic weapons, chemical weapons, naval and military aircraft and so on, are not circumvented. I noted the words that were drawn to the attention of the house by the hon. member for Prince Albert, to prohibit the manufacture of these things within Germany's own borders.

For example, our newspapers carried a dispatch on December 9 which said:

> The Dornier organization has established a branch in Spain and has built its first aircraft there to get around the ban on Germany's aviation activities.

Many persons reading this doubtless had their opposition to German rearmament considerably strengthened.

Then again many wonder why, if Liddell Hart, General Montgomery and others are correct in stating that atomic weapons and not large armies are now the basis of western defence, the arming of 12 German divisions is so pressing and important. Those who oppose the proposal think that more importance should be given to the effect of rearmament on the future of Germany, the future of Europe and future relations with the Soviet union.

I understand this position and respect it, but my experience at United Nations meetings leads me to believe that world tension has decreased as the western allies have achieved greater unity and strength. That unity and strength must be maintained by the democratic nations.

Fear there is that the rearmament of Germany will result in the irrevocable division of Germany with a revival of the kind of reaction which gave Hitler his opportunity in the 1930's, the kind of reaction there was against the Versailles treaty.

But no proposal for the reunification of Germany on the basis of free elections has been accepted by the Russians. Some believe, quite sincerely, that if pledges were given that a reunited Germany would be a disarmed Germany for a period of time, say ten years, Russia might agree. That proposal might have been made and might have been worth trying but I doubt it would have changed the Russian view. It is too late to suggest it now.

But may I add here that no opportunity for the negotiation of outstanding problems with Russia should be neglected. I was very pleased to note that the minister of external affairs in the course of his speech this afternoon made exactly that point, that even on minor issues, when the opportunity to negotiate settlement occurs, those negotiations should be undertaken in the hope that if we can negotiate some of the minor issues we can ultimately negotiate major ones. If after the ratification of the protocol four-power negotiations are undertaken, we should support them wholeheartedly. I hope and indeed believe that ratification will promote negotiations rather than hinder them.

Perhaps the most potent argument against the proposal is that there is a sharp difference of opinion regarding rearmament in Western Germany itself. The trade unions and the social democratic party are unitedly against it. Those of us who read the reprint of an article from the New York *Times* in this morning's Montreal *Gazette* saw that the non-communist youth of Germany met a few days ago and strongly opposed German rearmament. So there is no doubt that there is opposition to rearmament in Germany itself. We must beware lest the sympathies of this large section of German opinion are alienated from the west. They fear a resurgence of militarism as a result of rearmament—hence every precaution must be taken by the supervising authorities to see that the German divisions are organized and officered by men who are entirely free of nazi predilections.

It seems to me, then, that hon. members of this house must weigh risks and advantages and make their decisions on the balance they achieve. This I have tried to do honestly and conscientiously, with the result that, as I said at the very outset, I shall rise in my place and vote for the motion, approving of the protocol.

Many of my friends will arrive at a different conclusion. That I regret, but I can respect their judgment because I understand the basis for their opinions.

The overriding consideration which has governed my own decision may be briefly stated. It is that the failure of Russia to co-operate in the United Nations with a view to setting up the military staff committee, and to participate in the security measures provided for and envisioned in the United Nations charter, made the organization of the regional defensive alliance known as NATO

necessary and inevitable. I was present at the United Nations when the present Prime Minister (Mr. St. Laurent) placed the alternative before the United Nations assembly. I approved of what he said at that time and I have not changed my opinion since.

The gradual national disarmament which we envisaged at San Francisco has not been achieved. On the contrary, Russia maintained its armies and strengthened them as we demobilized and turned our airfields back to pastures and our factories to the production of civilian goods. True, a change came over us in 1950 because of the Korean war.

Now the time has come when a proposal is before us for recognition of the partial sovereignty of Germany. As the minister said this afternoon, sovereignty surely involves the right of a nation to defend itself against aggression. How shall that be done?

The alternatives as I see them are to drift along until Germany rearms of her own volition and without supervision or control, or to see her rearmed with the support of one or more friendly powers, perhaps the United States, or to recognize her right to limited rearmament under safeguards and supervision outlined in the treaties. To my mind the limited and supervised rearmament within NATO is the alternative I must support.

The indefinite occupation and defence of Germany by the NATO powers is, of course, another alternative but one which no country is prepared to undertake indefinitely or even in part, without German participation in her own defence.

May I say one further word regarding NATO. I feel very strongly, as I have said so often in the house and wish to reiterate this afternoon, that we in the western alliance would be in a much stronger position in the world if we had paid more attention to article 2 of the NATO agreement. Had we given as much attention to the integration of the economies of the NATO countries as we have to military arrangements, our European allies would have been more stable, more secure against communist infiltration, and this very strength and stability would have minimized the danger of communist aggression against which the NATO treaty was originally formulated. May we take this lesson to heart and in formulating future plans for the maintenance of peace in Europe, Asia and indeed Africa or the rest of the world, give more heed to economic aid as a means of promoting freedom, democracy and world-wide peace and progress.

Mr. Solon E. Low (Peace River): Mr. Speaker, I must say at the outset that I too look upon this debate as perhaps covering the most important matter to come before parliament at this session, if not at many other sessions. I listened carefully to the speech given under great difficulties this afternoon by the Secretary of State for External Affairs (Mr. Pearson) who, by the way, seemed to grow stronger as the minutes passed. For that I was glad. I must say that he presented a sombre picture, one which certainly confirmed my own feelings as to the whole world situation that we face. We are now discussing a matter of tremendous importance, and I believe that each person in this house must look into his own conscience and decide whether or not he has been able to give it adequate consideration. As for me, I have devoted a great many hours of study and contemplation to this whole matter. I have read every single thing that I could get hold of with respect to it in an effort to try to make up my mind on the basis of the fullest knowledge which I was capable of obtaining.

Over the past several weeks, Mr. Speaker, I have noted the intensive campaign of opposition, I must say, carried on by the communists in this and other lands. I must say that, in my judgment, they have overplayed their hands. However, as a result of their overplaying their hands, I believe that a good many serious-minded, loyal citizens of this country have possibly been silenced for fear that they might be classed as communists or communist sympathizers. When I say silenced, I mean in their criticisms, if they have criticisms, of the protocol and the agreements that have been entered into at Paris and London. We in the Social Credit group have all given many hours of study to this complicated group of interrelated protocols, annexes and treaties because it is not easy, in my judgment, to get them all separated and put into their proper perspective so that they can be understood.

The minister's speech this afternoon—and it was an excellent one, I may say—helped us greatly to get a better understanding of this whole complex. But what makes complete understanding much harder to get is the fact that there are so many implications in what was done at both London and Paris. Here we are dealing with matters of power politics, a field in which we can never be quite sure that we have caught the full picture because every move that is made can be understood only against the background of decades of history and against a great many shifting alliances.

In the light of all the complexities and problems associated with the protocol now under discussion, we think that it would have been wiser if the government had brought the resolution before the house so that it

could have been considered in committee of the whole where the members could have asked as many questions as they liked and where they could have made every effort to get a complete understanding of the whole serious situation. However, that has not been done. I do not know what else to suggest to the minister. I know that there are serious misgivings in the minds of many people because we have not brought the protocol in for consideration in such a way that questions can be asked. The only other thing that I could possibly suggest might be reference to the external affairs committee. I would not even do that if it were to be interpreted to mean that what I was seeking was delay, because that is not my object at all. But let us keep in mind the fact that history will judge us with some harshness if it ever takes the view that we have made a decision on this extremely important matter without the fullest possible measure of consideration and study. If the minister can see his way clear to refer this protocol to the external affairs committee for study, I should like to see that course adopted because I would not want anyone to feel that this house took a measure of this great importance and dealt with it summarily without having every opportunity to get at the root of every single thing that a member wants to investigate.

From talking with people and from receiving communications from them I have discovered that a good many of our good, loyal, serious-minded citizens throughout Canada have in their minds many misgivings about the rearmament of Western Germany. Let me hasten to differentiate between the protocol and rearming Western Germany, because there is a difference, in my judgment. I must confess that I have some serious misgivings about the rearmament of Germany myself. The misgivings of serious and good and loyal people in this country revolve around what will really be the result of ratification of the protocol rather than its major purpose. I think that most people feel that the thing that is uppermost in the whole business is the rearming of Germany, with all the possible consequences and dangers that attend that business.

I have received quite a number of communications about the matter. Some I have not placed at a very high level of worth; others I have. I cannot help paying attention to the things that are brought to my attention by people who I know are loyal citizens of this country and are serious-minded people. I have in my hand a letter from one such person; and by the way it is from a man who professes adherence to the Conservative party in my own part of the country. I want to quote from it as being typical of the attitude of quite a number of Canadian people. I propose to read briefly from the letter, Mr. Speaker. I may say that I am quite prepared to table the whole letter if it is desired that I do so. In fact, I will do so anyway because I think this house is entitled, whenever a member quotes from a letter, to see what is in it. This is what this good man says:

> It has occurred to me that whereas in a democracy we are all responsible for the actions of our governments it is proper for us to express our opinions when we think they are doing wrong.

I agree with that statement 100 per cent; and I am glad this man had the courage and the anxiety about the whole matter to write to me. He continues:

> I am much worried about the rearming of Germany and more particularly our alliance with Germany even though it is only a part of the country. It seems to me to be morally wrong.
>
> We have had no reliable evidence of any repentance on the part of Germany for all that they did, and thus our acceptance of them now really implies condonement of their wickedness. We are being unjust to ourselves and we are failing in a sacred duty to our brothers who were slain by their hands.
>
> No emergency can truly justify saving ourselves at the expense of honour. God always provides a better way if we look for it. Mr. Pearson asked if anyone could suggest a better way. I say let us face the situation squarely as we did after Dunkirk, looking for help neither to right nor to left but only up. In that way only will we be worthy of that help that comes from above

Then in another part of the letter he goes on to say this:

> If we do have to come to blows with Russia, which I think we won't, will the acceptance of German help do us any good? I think it will do harm. History has shown that battles are not always won by the side with the biggest army, but by the side with the best will to fight. The will to fight goes with the most righteous cause. We may find many such cases in the Old Testament. Even a dictatorial government must have the will of their people behind them to successfully wage war. We must try to imagine what the feelings of all people of eastern Europe must be in the present case. They undoubtedly will have a horrible memory of German occupation. Our alliance with Germany will associate us in their minds with all that they dread. It will fix their will solidly behind every action that their government takes against us. This I think will more than offset the advantage of having Germany on our side.

I do not wish to quote any more at this time. This man has written me in good faith and said that I might quote from his letter if I wished. I did so because it is typical of of the attitude and feelings of a great many people who are loyal citizens of this country

and who can by no stretch of the imagination be called communists or fellow travellers. I say it is typical, and we must not brand these people as communists.

When EDC was being promoted and before France turned it down we were told that the revival and use of the German general staff would not be allowed. That assurance did set some of our very deep misgivings somewhat at rest. But since EDC was scotched and these new proposals were adopted at London and Paris there has been some evidence and quite a good deal of prospect that the German general staff will not only be revived but that members of it will be given a big part to play in rearming Germany. We know that many of them are nazi sympathizers, outright nazis or some other form of extremists, and people generally are fearful that the German general staff, who were mainly responsible for the brutal and bestial acts of the German army during world war II, will soon come to exercise far too much influence not only on military life in Germany but also on the political and social life of the German people as a whole. I think we ought to be given every assurance that this will not be so and that they will not be allowed to do so. What assurances can be given I do not know, but certainly we should be given assurances that they will not be allowed to do so.

I recall that when I visited Germany in 1948 there was an intensive effort going on then on the part of the occupying powers to condition the German people out of their uncommonly strong bent towards militarism and at the same time to encourage and help them to establish a real democracy deep-rooted in their country. These were the two major objectives in the intensive educational campaign that was started by the occupying powers soon after they went into Germany. They realized what a terrific task it would be because for centuries the German people had never taken their individual responsibilities of citizenship. They had let Adolf do it until it became instinctive for them to look for a fuehrer instead of the practice of individual responsibility and taking their fair share in their own government.

Of course the German general staff and the military junta have exercised undue influence over the people since the time of Bismarck, and so it was not surprising to me that for a great time the German people had been developing a national character that leaned heavily toward militarism and war. But during the past ten years the intensive educational campaign of the allies in Germany has taught the younger people to hate militarism and the people as a whole have adopted democracy as their form of government. It is not deep-rooted, as we know, and perhaps will not be deep-rooted for a good many years. It is quite true it will need a long time to become firmly established, but my opinion is that the younger Germans as a whole bitterly hate even the appearance of a uniform and they have given Theodor Blank, the man who undertook to publicize the new army, a pretty tough time in many areas of the country. In one place I understand they even threw a wine glass in his face when he attempted to speak to them. That is an indication of how they look at it. Does it not seem tragic and ludicrous that we would now turn completely around and plead with the Germans to think in terms of militarism, even if it is limited? It would be especially ludicrous if we did not take every precaution against the revival of the German general staff.

A good deal has been said this afternoon about the dangers involved in German rearmament, and there are dangers. Other speakers have pointed them out. Indeed, the minister himself did so and suggested that in all of these international agreements there is a risk we have to take. I am glad he did not use the term "calculated risk" because a good many people in this country look upon it as more or less a useless term. Certainly any risk is calculated. You never take a risk unless you feel you can get away with it. We know that there are dangers, and I think we should always keep those dangers in mind. If the protocol is ratified, as I hope it will be, then we should never relax in our efforts to prevent the dangers from being realized.

There are dangers we can see and there are dangers that will not become evident for some time after we have begun to gain experience in the practical working out of the protocol. I do not believe I should take the time here to point out too many of these dangers. There are some I shall suggest to which reference may have already been made. A rearmed Germany might try to seize East Germany by force. The minister set some of my misgivings at rest in that regard when he said that there could be no deployment of forces within Germany except at the command of the supreme commander of NATO, which I admit is in itself some control. But still it is not airtight. If a rearmed Western Germany should attempt to seize East Germany by force, thinking perhaps that with the 12 divisions the minister spoke about, the 1,350 airplanes and a naval force of a sort, they would be the strongest military power on the continent with the exception of Russia, what kind of predicament might that plunge us into? That

is the point. It is not whether or not they would be able to accomplish their task, but it would of course intensify the risks of war.

So we have to be very careful to see that there are safeguards against any precipitous action for unification that may be in the minds of a frustrated people who for years have been thinking in terms of unification and who seem to be willing to give their lives for it. I am not one who overlooks the fact that unification of Germany has only been a matter realized in comparatively recent times, and in the long run it is not an important consideration by any means. It is important, but certainly not the most important.

Another rider to this danger might be if the Western German people became frustrated in their desire for reunification and a strong wooing movement on the part of Russia conceivably induced a rearmed Germany to make a deal with Moscow. I wonder what result that might have. We have to look at that possibility. If we had to face a resurgent Germany allied with the imperialist bolsheviks from the east we would of course have our hands more than full, even with NATO.

I might also mention the possibility that ratification might intensify the arms race. That has been suggested, and it is possible, although I do not look upon it as a grave danger by any means. I might suggest, as has already been suggested, that ratification of the protocol might harden the present division of Germany as well as the situation of the east versus the west blocs of the world. It might do that. I do not know. It is something concerning which we have to wait and see. I do not like to think that it will. I hope it will not, but it might put an end to any possibility of achieving success in the drive for disarmament. However, we have to take the risk.

These are the dangers, and there is one other. The complex of protocols, agreements and annexes does set up, I understand, a system of interlocking controls that are expected to operate successfully against the dangers I have mentioned and any others that may be seen. They might work well but it will only be so if all the parties to NATO, the western European union and the Brussels pact continue to act in the very best of faith and if the German people continue to root their democracy deeply, resisting the influence of the German general staff as well as any extremists in other places.

Now, I have faith in Adenauer. So long as Adenauer is there, I think that he could successfully lead Germany along the path of rectitude. I believe that, but we must remember that President Adenauer is getting older. Of course, we sincerely hope he will be around a long time to see this thing through. We must not overlook the fact that he is not expected to be around all the time. I am wondering what would happen if the western European nations decided later that it would be wise to raise the ceiling on West Germany's military strength. They could not order an increase; that has to be done voluntarily. I understand that under the treaty the western nations could not force it, they would have to negotiate for it. It is conceivable that in the negotiations Germany might bargain for a relaxation of some of the controls. If a dangerous east-west situation were to arise, a situation of real urgency, the western powers might yield to Germany's desire in order to get the increase.

What would happen then? Away would go the system of controls, and I do not know where it would end. I point these things out, Mr. Speaker, more to indicate what is in the minds of those people who are thinking this thing through very carefully. Certainly a lot of these things were in my mind, although I suppose I must have given thirty or forty hours of study to this whole question since we were told this debate would take place. There are some things that I cannot understand fully even yet, and I suppose a good many people would be in the same position.

As we study this whole complicated series of documents, this protocol, I feel we should do so against the background of two very important things. We should never lose sight of what happened at Munich, and how Munich contributed to the terrible things that eventually took place in world war II. In my judgment it would never do for us to let down our guard for one moment. At the same time, I must say we should do all we possibly can to spread the gospel of love, charity and good will to our fellow men wherever they may be, behind the iron curtain or in front of it.

The second consideration I feel we should always keep in mind is what the bolshevik imperialists are trying to do, and in fact, I think, are determined to do. I believe I understand what it is. I believe that, just as it was true that Hitler and his objectives were made clear by his own publication, "Mein Kampf", today the objectives and determination of the leaders of the bolshevists are made quite clear by the things they do and the documents they publish. Back in 1923, that is a long time ago, Lenin set out a blueprint for communist action over the years. He said:

First we will take eastern Europe, then the masses of Asia, then we will encircle the United States,

which will be the last bastion of capitalism. We will not have to attack. It will fall like an overripe fruit into our hands.

We must secure the good will of teachers and professors in schools and universities, of liberal ministers of religion and of the pacifists and reformers of the world in order to create a mental barrage in the minds of the capitalist youth, which shall forever bar them from participating in a carnal conflict with the communist order.

This man Lenin was one of the architects of the communist conspiracy. Coming closer to modern times, I quote a man whom I met at the United Nations, a man by the name of Manuilsky. At one time he was the head of the comintern and, by the way, was the man who betrayed the Ukraine and led that section into a trap. He said:

War to the hilt between communism and capitalism is inevitable. Today, of course, we are not strong enough to attack. Our time will come in 20 or 30 years.

That is approaching.

To win we shall need the element of surprise. The bourgeoisie will have to be put to sleep. So we shall begin by launching the most spectacular peace movement on record. There will be electrifying overtures and unheard-of concessions. The capitalist countries, stupid and decadent, will rejoice to co-operate in their own destruction. They will leap at another chance to be friends. As soon as their guard is down we shall smash them with our clenched fist.

He was speaking on behalf of the comintern. What else do we need with that blueprint and the knowledge of events that have been happening in the world since that time and what is happening today? An attempt is being made by the communists now with a bit of a peace movement, overtures and all that sort of thing. We have to beware. That is why I say we have to watch these blueprints very carefully.

A NATO letter for May, 1954, sets out on page 25 a statement showing current Soviet military capacity. I believe the minister described that this afternoon in adequate terms, so I will not need to repeat it. Anyone who wants to see the strength of the communist countries today has only to turn to the NATO letter for May, 1954, page 25, and take a look at it. If you do not get shocked into a sense of reality, then I miss my guess. I should like to ask why in the world Russia has built up such a huge armament in relation to the other parts of the world. Why have her satellites followed suit, as the minister said this afternoon? Why have they allowed Germany to continue divided for all these years? Why have they refused to help bring about a peace treaty for Austria? All these things we have to try to keep in our minds.

I believe fully that the division of Europe was brought about by Russia and her close allies through their refusal to take even a good look at suggestions for the reunification of Germany on the basis of free elections, and also because they have constantly refused to co-operate to the smallest extent in trying to solve the many problems that are causing tension in the free world today. Now, Mr. Speaker, I have only a few remarks left, so may I continue and try to conclude before the recess?

Some hon. Members: Go ahead.

Mr. Low: It is clear to me at any rate that Western Germany would not be able to defend herself against an already armed Eastern Germany without having some military strength with which to do it. In addition to that, I feel quite certain that Europe could not possibly defend itself against a possible communist aggression without German manpower and German arms. Just here let me say that in case of trouble between the eastern powers and the western powers, I am sure that the Canadian people would not want Canadian boys to give their lives defending approximately 30 million people who were not taking any part in the responsibility of defending themselves. That is one of the most serious considerations. I feel that such considerations must enter into the minds of the Canadian people from one coast to the other. I would not want that, and I believe I am about average in that respect.

I believe that the free nations of the world must be strong and be able to withstand the forces that are arrayed against them. I believe that the only thing the communists understand and respect is strength. I feel we have reached a point where we must take a stand to prevent any further communist victories and so that we will not have to continue with any kind of policy of salvage out of our international conferences. We have lost too much already. I think now is the time to take that stand. We have to take it whether or not we want to do so. Perhaps the most important deterrent to communist aggression is the knowledge of the unity of western Europe. For that reason I believe it is wise, very wise, to admit Germany into the North Atlantic community, and I say "the North Atlantic community" rather than NATO, advisedly, and into the western European union.

While I realize that the controls that are set up may not work, I believe there is much less danger to the free world from a possible gradual break-down of controls over a period of years than from a determined adversary sworn to destroy all the free nations of the world, and that maintains a strong fifth column in every country where

they are pledged now to lull the citizens of those countries to sleep with that peace opiate about which I spoke, and who would like to sabotage their efforts to defend themselves if it becomes necessary to resort to armed defence. We do not want to forget quickly how much influence that fifth column had at one time in many countries of Europe, and some that are now far from us.

I am certain in my own mind that NATO has prevented a western push by the communist imperialists before this, and that is why I have supported NATO right from the beginning. And I want my hon. friend who spoke last evening before six o'clock to hear what I am now saying. I say to him, the hon. member for Iles-de-la-Madeleine (Mr. Cannon), that I have supported NATO right from the beginning, because I have felt that Canada must be strong, and that Canada must stand with the other free nations of the world to resist communism. I believe we must continue to spend for defence purposes and keep ourselves strong and, certainly so long as the present situation continues, we must give high priority to defence. That is where I stand.

Mr. Cannon: I am glad to hear the hon. member make that statement. As a matter of fact I was going to ask him that question.

Mr. Low: I took a note of what the hon. member said last night and I felt that under the circumstances I was obligated to state where I stand. And by the way I am speaking at this time for the Social Credit association of Canada, of which I have the honour to be leader. I am sure all the members of that association, and those affiliated with it, will stand by what I have to say.

The possession by a united west of atomic weapons, and at least a measure of western solidarity, have been I am sure great deterrents. Divided and weak, all the negotiations and peace conferences we could think up would be useless in the face of communist blueprints and determination to reach their goal.

We in this group would like to see a general disarmament. We pray for it and will work for it, but I hope we are not unrealistic enough to believe that we in the free nations of the world, in spite of our great military inferiority under the east, should start disarming unless Russia and her allies give undoubted evidence of their readiness to go along with us in disarmament. I think that we should pursue every effort and take advantage of every possibility to get world-wide agreement on disarmament and effective international control of atomic weapons to ensure that they will never be used in war.

If I thought the ratification of the protocol would destroy our chances of achieving general disarmament and effective international control of atomic weapons, I would vote against it, and I would use every ounce of my energy to persuade others to vote against it. But I am convinced that the only thing that will ever bring Russia's communist imperialists seriously to consider disarmament will be the realization on their part that they can never become strong enough to whip us all, if we stand together.

Consequently if we stand together and keep our unity solid and keep ourselves strong, I believe that we will have a much better opportunity, and a much better chance of negotiating for world peace and disarmament, so as to usher in that time for which we all long, the time when "every man may sit under his vine and fig tree and none shall make him afraid." I feel at the present time that we should support the protocol that has been placed before us, give it every possible chance to work, and show unity in the face of the difficult situation which obtains throughout the whole world.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. L. T. Stick (Trinity-Conception): Mr. Speaker, I have heard the Secretary of State for External Affairs (Mr. Pearson) on many occasions in this house when he has given us a review of the international situation, but I do not think I ever heard him to such advantage as I did this afternoon. He was lucid, he was clear and he gave us facts. I think that those facts showed us the motion which is before the Chair and the ratification of this protocol of NATO to be one of the most important pieces of legislation that has ever come before the Canadian parliament. I know he has been suffering from a sore throat, and so on, but he did so well this afternoon that I hope the next time he speaks he has another sore throat. I am not wishing him any harm, but I think the speech he gave and the way he put it when he answered all our fears augurs very well for the future. I cannot help paying this tribute to the speech which he made this afternoon and usually I do not pay compliments.

There are two or three things that I want to touch on tonight in regard to this protocol and the questions raised by the speakers this afternoon. After listening to the minister there is not very much a backbencher can say about this protocol. But I think it will be understood that whenever we negotiated with the communists, when we sat down with them, we always did it not being sure of our position and through a sense of weakness, in that the communists had this advantage: they knew that we did not desire war nor did we have any intention of attacking them. But we did not know what they were going to do to us. That gave them an advantage and a great advantage in their negotiations. The result was that many times we came off a bad second. The Geneva conference last summer demonstrated this weakness. I am glad to note that out of this weakness came the realization that if we had continued with any more Genevas we would be placed in such a position that our chances of maintaining peace would be very small indeed.

It was the failure at Geneva and the failure of France to ratify the EDC that awakened people to the sort of danger into which they were drifting. Then Sir Anthony Eden and other statesmen realized it and got together with the people behind them and worked out this protocol which we have before us tonight.

Sometimes out of weakness comes strength. We have been negotiating for years through weakness and it is only when we negotiate through strength that we seem to make any deal with the Russians at all, or make any impression upon them. We have now reached the stage that with NATO we are building up the strength to negotiate. We are in a position to sit down on equal terms with the Russians and negotiate through strength on equal terms. The value of this protocol to me means simply that.

I said that in this house two or three years ago and perhaps I was the first to enunciate the policy of peace through strength. I am convinced—others may have different opinions—that peace never came through weakness and it will never be maintained through weakness. If we are to have peace we must be strong enough to see that we can keep it; therefore tonight we are debating this protocol binding the NATO nations together so that we may negotiate with the communist powers in the future on equal terms.

This afternoon the hon. member for Prince Albert (Mr. Diefenbaker) strongly supported the motion before us and raised one or two questions. One of his questions had to do with our troops in Germany and the position in which they would be placed if this new German army took it in their heads to try to get back Berlin. I am not going to try to answer the question for the minister because he is well able to do so himself, as you all know. It was a hypothetical question, of course. But if the German army is to be integrated into NATO, with all the safeguards which were outlined to us this afternoon, I cannot for the life of me see, from a military standpoint, how the German army on its own is ever going to take Berlin without orders from the supreme commander of NATO.

The question was also raised: what is the position of the Canadian troops under this arrangement if they do not get sufficient safeguards? Well, if I know the Canadian troops and the spirit of the fighting qualities of the Canadian troops, I do know this: If a fracas takes place in Europe, they are not going to sit on the sidelines; they are going to take part in it. That is what they are there for. There are under this protocol risks which we have to take. There is no treaty today, however much you may bind it with safeguards, that is going to be kept unless the will behind it is to keep it. It has been demonstrated often enough in the last five or six years that treaties are kept by certain powers only when it is convenient for them to keep them. We therefore must accept certain risks when we ratify this protocol. There has never yet been an airtight treaty, Mr. Speaker, so my position tonight is to rise and support this protocol, fully accepting the risks which I know I have to take. I am sorry I have to ratify it, but because we have no choice I ratify it and am going to vote for it, for this very simple reason. The general welfare of this country is wrapped up in this treaty, and possibly the peace of the world.

When the hon. member for Prince Albert emphasized the importance of this protocol coming before this parliament and the duty of each member of this parliament toward the treaty, he brought out a very good point. It is the duty of hon. members to safeguard the welfare of the people of this nation and to try to maintain peace. That is why I am supporting it, with all its drawbacks and with all its risks.

I am going to support the protocol, Mr. Speaker, because I am here to safeguard the general welfare of the people of Canada and to try to maintain peace. That is why I am going to vote for it and that is why I hope all hon. members will make up their minds on that basis and not on the basis of party. This is beyond party. It is the national welfare that is before us, and if we vote on that basis there will be no doubt of this

protocol being ratified in an overwhelming manner. I am voting for it for the reasons I have stated.

I do not want to take any more time because I know many hon. members want to express their thoughts. I simply wanted to express mine and to say once more that in voting for this treaty I am voting on behalf of the general welfare of the people of Canada and for the peace of the world.

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, it is my intention to confine my remarks this evening to the aspect of this problem referring to the rearmament of Germany. If my remarks should savour somewhat of a military appreciation, you, sir, know my background, and I have no apologies to make.

As has been stated on several occasions during the debate already, it is not unnatural that many people view with apprehension the rearming of Germany. The wounds inflicted during world war I and world war II left deep impressions in the hearts and homes of thousands of Canadians. These wounds are not yet healed. On the other hand, it would be senseless for us deliberately to keep open the scars and to continue the hatreds cultivated during the war years. It is difficult for the ordinary mortal to follow the divine injunction to love one's enemies, but if what we choose to call common sense indicates a similar course then perhaps we may be capable of rising slightly above the implications and emotions of frail human nature.

The fears which have been expressed might, I think, have been to a certain extent relieved had it been possible for the government to have given an opportunity for a full discussion on this problem before this. But, even now, I will endeavour to remove some of those fears which beset the people of Canada. In order that we may have a correct approach I will review quite briefly the events surrounding the background of this problem.

You will remember that during the period of happy optimism which followed immediately after the cessation of hostilities at the end of world war II, the hope expressed at Potsdam persisted for a short time that the German people might remain unarmed for many years because all the great states adjacent to the reich were on seemingly good terms so that the chances of war in Europe were regarded as remote.

It was not until the four-power pact of 1946 failed in the face of the Russian demand for the control of the Ruhr that the western powers found it necessary to build up the economic life in their respective spheres of Germany in order that they might relieve the burden on their own taxpayers. From that date on the division of Germany became more and more clearly defined and we also witnessed the miracle of West German resurgence.

Then followed the Soviet rejection of the Marshall plan, the Czech-communist coup of 1948, and the Russian blockade of Berlin countered by the airlift on the part of the western powers. These events eventually drove the western powers in self-defence into the Atlantic alliance. Even then no serious consideration was given to the creation of any German contingents although it was known that Russia had equipped the police forces of Eastern Germany with tanks, artillery and modern arms at that time. Therefore the blame for the failure of the Potsdam agreement lies squarely on the shoulders of the U.S.S.R. It was not until operations were started in Korea in 1950 that Europe really became alarmed. The fear that an invasion similar to that which took place in South Korea might be launched in central Europe became great, that is an invasion by proxy. It was then and only then that Mr. Winston Churchill, as he then was, advanced a suggestion to the council of Europe that West German troops might be integrated into the defence system of NATO.

The various plans which culminated in the European defence council failed to materialize after the rejection of that European defence council by the French chamber last year because of its supra-national character. Now, it seems to me that the west has but three choices. I put these three choices in slightly different language to that voiced by the Secretary of State for External Affairs (Mr. Pearson) this afternoon.

The first choice is to act on the assumption that Russia will never attack through West Germany and therefore we can leave the Germans unarmed and undefended. In other words, let us turn back the clock to the Potsdam period. That is just not practical—you cannot turn clocks back.

Secondly, to assume full responsibility for the entire defence of West Germany by the western powers. The adoption of such a policy would mean much heavier commitments in arms, money and manpower by the western powers. In order that Canada might bear her full share of any such program she might easily be asked to station a much larger force in Europe than the one brigade we have stationed over there at the present time.

I do not think that anyone suggests seriously that Germany could be occupied indefinitely by the allied forces. It would be repugnant to all the principles of democracy. Such an idea would be politically impossible and furthermore could easily ruin the economy of the western powers.

The third alternative that it has been suggested we adopt is to give West Germany the opportunity to contribute to the maintenance of the forces now being built up by the NATO powers in the hope that those forces will be sufficiently strong to deter Russia from committing any overt act which would lead to war.

The choice really lies between linking the federal republic of West Germany strongly with the west or allowing her to drift about in the centre of Europe, eventually and inevitably to be sucked into the Soviet system. I think a neutral and defenceless Germany simply does not make sense. The days when any country could remain in splendid isolation are, I think, past forever.

It seems to me that the question we must ask ourselves is whether we really need a German contribution in order to offer a strong deterrent to possible Russian aggression. I am fully aware of the risks we run by rearming Germany. Is it possible for the west to prevent war without German manpower? That is the question I ask.

A few years ago General Eisenhower said that German manpower was essential to stop Russia from overrunning western Europe. Up to now German manpower has not been available, nor have the Russians attacked in western Europe and overrun western Europe. Why is this? The answer to that question is that up to now we have held the lead with the atomic bomb. But today the Russians, too, have the atomic bomb.

So before answering my question as to whether we really need German forces I think we should assess the opposing forces as we know them to be.

From the most reliable information available it is indicated that the U.S.S.R., Eastern Germany and the eastern European satellite states today have over six million men under arms, of which number four and a half million approximately are in the army. Mr. Harold Macmillan, the minister of defence in the British house, on November 18 during the debate on a motion similar to this one, stated that well over 100 divisions could be made available by the Russians in 30 days and that their total forces numbered over 400 divisions. More than one-third of these Soviet divisions are tank or mechanized divisions armed with modern equipment. Russian tanks today stand on the line of the Elbe. They dominate the central plains of Germany and within a few hours' run could be on the Rhine.

The precise figures given for the forces of the western powers have not been made public, but the figure which is generally accepted is a little short of 50 divisions, with another 50 divisions in reserve. That, Mr. Speaker, is the measure of our disadvantage. Surely another 12 divisions from West Germany will help us to offset that disadvantage. The Soviet air force seems to have been stabilized in the last few years to a figure of about 20,000 aircraft of which more than half are modern jet types. Perhaps half that number of aircraft are available under the command of the supreme allied commander of the European forces. The German contingent is limited to 1,350 aircraft of which I understand some 10 units are to be of tactical bombers and 4 units are to be fighters, while the other 2 units are to be made up of reconnaissance aircraft. I think the Secretary of State for External Affairs (Mr. Pearson) made a slip of the tongue this afternoon when he said they were all fighters.

The Russian navy comprises some 20 to 25 cruisers, 100 to 150 destroyers and at least 350 submarines. I think the navies of the west are at least as strong as that. However, with regard to this problem we are dealing particularly with armies and air forces.

There is little doubt that the Soviets have stockpiles of atomic and thermonuclear bombs. It is, however, by no means certain that the Russians would use those terrible weapons at the commencement of any aggressive action that they might plan; for there is no real defence against strategic forces armed with H-bombs. The western powers also have their long-range bombers widely distributed throughout more than 150 airfields in Europe and Africa, all within bombing range of the principal Russian cities and their principal centres of communications. Since both sides have many airfields from which their bombers, armed with H-bombs and A-bombs, might take off, I therefore suggest that it would be the wildest gamble for either side to count upon its ability to knock out or to neutralize the other's power to retaliate. A war fought with H-bombs could only result in mutual destruction of the nations concerned. Both sides may therefore hesitate to use the H-bomb, in much the same manner as both sides in world war II refrained from using poison gas.

The large Soviet forces with more or less conventional arms to which I have already referred, however, constitute a threat if we do not possess a deterrent; and I do not see

how we can rely solely upon a weapon such as the H-bomb which quite possibly we might never dare to use. We are therefore obliged to provide ourselves with the means of defeating, with conventional arms, an attack by conventional arms as well as retaining the power to retaliate against thermonuclear attack. By maintaining powerful and conventional forces armed with modern weapons for use in the field, the NATO powers hope to deter the Soviet from using their armies.

We have been told over and over again that the west does not have sufficient manpower to provide an effective deterrent against the Russian armies without a contribution from Western Germany. Furthermore, if war broke out, whatever might be the final outcome Western Germany would be the first country to suffer. All the cities of the Ruhr are within range of rockets of the V-1 or V-2 type now in positions occupied by the Russians today. In short, western Europe and Great Britain cannot be defended without including in their defensive zone the territory of West Germany. It therefore surely makes sense for us to defend West German territory and to have that defence provided with rather than without the assistance of West German manpower.

A great many people from one end of Canada to the other are apprehensive, as I have already said, about rearming Germany and they have expressed great anxiety over the steps which are now being taken. Many fear that the German army, once formed, may get out of hand. These fears exist in West Germany itself. As has already been done by the Secretary of State for External Affairs and the hon. member for Prince Albert (Mr. Diefenbaker), may I call attention to the safeguards which are included in this agreement. While EDC sought a complete surrender of national sovereignty to a supra-national organization and was rejected on that score, the new plan still demands a partial surrender of sovereignty by all western powers. The maximum size of the armies and air forces of all powers is laid down. For Germany, as we have already been told, the forces laid down are 12 divisions, 1,350 aircraft and a navy designed solely for coastal patrol. Only by unanimous vote of NATO can these forces be increased. Another safeguard is this. So far as is practical, these forces are to be interlocked. The degree of their integration is to be left to the supreme allied commander in Europe. But the important feature of that integration will be the allotment of German staff officers to the supreme headquarters so that those staff officers will be in constant touch with the thoughts, opinions and philosophy of the allied staff officers. I believe that a great responsibility will be placed upon the staff officers of the western powers, including Canada, who will be serving on that headquarters staff, to imbue the officers of the German general staff with the spirit of the proper position of an army in a democracy.

The forces will be allocated and deployed under instructions from the supreme allied commander. Once deployed they cannot have their positions changed or be redistributed by any national authority without the consent of the supreme allied commander. As has already been said this afternoon, Germany cannot manufacture in her own territory atomic, biological or chemical weapons, nor make certain other types of weapons, except on the recommendation of the supreme allied commander. He also has control of the supply of petrol and so forth, the so-called logistic support as described in the articles of the agreement.

NATO is also provided with the authority to conduct rigid inspections. But probably one of the best safeguards in keeping the German army within its proper sphere of activity is the feeling that exists among the people of West Germany themselves as to the relation of their army to the state. There is by no means a unanimous desire on the part of the Germans to make a contribution to the common effort. The main argument upon which this reluctance is based is not dissimilar to the fears held by many people outside of Germany and in this country. I think the first and foremost one is based upon the traditional position held by the German army in German politics during the past century. Hon. members who have read "The Nemesis of Power" by Mr. Wheeler-Bennett will realize the political influence which was in the past and might in the future be exercised by a German army on German foreign policy.

There is an old saying that Prussia was not a country with an army but an army which ran a country. The question which is now being asked both inside and outside of Germany is: Can a German democracy exist side by side with a German army? Under Kaiser Wilhelm II and under Hitler it could not. Nor could it exist under the regime of the Weimar republic. Under Kaiser Wilhelm and under Hitler no democracy existed in Germany. During the days of the Weimar republic the army, by the sheer strength of the personality of the army commander, dominated the foreign policy of that republic. The question asked is: Will conditions be different now? I am pleased to say that western statesmen believe that they will be.

In the first place, Germany today is divided. I think we hope, in exactly the same

way as Germany aspires, that eventually some day, perhaps in the quite distant future, Germany once again will be united when it is possible for the German people to express their desire freely as to the type of government which they desire. However, Germany is divided today and we notice that the more warlike Prussian states and Pomerania are in East Germany. They are already armed. The more democratically-minded and peaceful peoples of Hanover, Schleswig-Holstein, Hesse, the Rhineland states and Bavaria form the great majority of the inhabitants of the federal republic.

Furthermore, Germany will have a democratic constitution at the same time as she will have an army based on compulsory military service. During the days of the Kaiser and of Hitler they had an army based on compulsory military service but they did not have a democratic government. The new German army will be a conscript army and it will be controlled by a parliament alive to the dangers of the political influence of the army in the past. It will be very close to the army because, as I have said, the army will be a conscript army drawn from the youth of the country in all walks of life.

If I may digress for a moment, I think it would be of interest for us to look at the personalities who are at present controlling or will in the near future control that army. At the head of the organization will be Theodor Blank, director of the federal German office of security and defence, which is similar to our Department of National Defence. Herr Blank very recently stated:

> The only man who can be entrusted with the defence of a system is the man who believes in it.

Thus, writes the special correspondent of the Manchester *Guardian* on Thursday, January 13, 1955, Herr Blank "has summed up his determination to make sure that the new German soldier should be regarded as a citizen in uniform." How very different that philosophy is to that of the old Prussian regime. Herr Blank has been appointed by Chancellor Adenauer to head the shadow ministry of defence in the federal republic of West Germany. He is a former trade union leader and is a member of the Christian Democratic party. The army officers who have been mentioned prominently in the German press as the most likely leaders of the West German army are first of all General Ludwig Cruewell, a Rhinelander, not a Prussian, who hails from the Ruhr valley. He was born at Dortmund in 1892. He was not a professional soldier. He was educated at the universities of Grenoble and Munich. In fact he had a comparatively short military career before he was captured in Africa on the 1st of June, 1942, and he remained as a prisoner of war until the end of the war. Press reports indicate that he will be the commanding general of the new German army.

The other name that is prominently mentioned, and is perhaps better known, is that of General Hans Speidel, who was chief of staff to Field Marshal Rommel in army group B. He is mentioned as being the chief of the German delegation to NATO. He is not a Prussian. He is a Wurttemberger, born in 1897. These men, as I have said, are not Prussians, nor did they at any time hold any blind unreasoning devotion to the nazi regime. In fact, Speidel risked his life to free Germany from nazi tyranny through his connections with Rommel and the revolt against Hitler. If the government of the federal republic therefore enforces its constitutional authority, the army will not be in a position to usurp that authority. There would seem little doubt in my mind that Herr Blank, who is responsible for the build-up of the German army, has any illusions on the dangers that exist.

I believe that here is a place in which Canada, the western powers, the Canadian officers and the officers of the western powers stationed in Germany have an important role to carry out. They could explain to the new German army the right position which any army occupies in the organization of any democratic state. Again, I feel it will depend on the attitude which is taken by the Deutschen Soldaten Bund, that is the German exservicemen's league. Will these men confine their activities, as the branches of our Canadian Legion do, to looking after the welfare of their old comrades or will they advocate the erection of some new military caste? These men have fought one or two wars, and many of them through both. I cannot believe that even our late enemies will want to see the creation of a military caste again.

On the other hand, as opposed to the possible attitude of these veterans, there is a strong element of pacifism existing in Germany today which is not likely to permit the new army to get out of hand. There are so many visible reminders in Germany, and I have seen them myself, of the price Germany paid that it is not surprising that strong elements of emotional pacifism exist in practically all social groups in Germany today. I should like to read a brief quotation from the special correspondent of the Manchester *Guardian Weekly*, which appeared under date of Thursday, January 13, of this year when he was discussing West German defence and democracy. He says:

> One favourable factor is the difference of outlook between young Germans and the older generation. Most observers would probably agree that

the young Germans who have grown up during and since the destruction of the nazi regime present one of the most heartening features in the country. They are open-minded and are far more sensible and realistic than one had reason to expect. They are certainly not inclined to submit to indoctrination or to accept authority as blindly as their elders have done.

Therefore, in spite of all the powerful arguments which may be advanced against German rearmament, I feel forced to recognize the necessity for a German contribution towards western defence. As stated by the hon. member for Prince Albert (Mr. Diefenbaker), with the other members in this party I will support the resolution which has been placed before us by the government. I have reached that decision, not with enthusiasm but as the choice of a lesser evil. I recognize the risks involved, not only to the free institutions of Western Germany itself, but also to the peace of the world, should the German army at some far distant date be in a position to make war contrary to the wishes of the North Atlantic powers. But I have to be realistic. I cannot see a force of 12 divisions launching an offensive against 100 Russian divisions. It does not make sense to me. I am not elated at the prospect of seeing this field grey army once again in existence. But if the participation of Germany in the western European union will make that system effective, I am prepared to accept the risks. I believe we all pray that there will be no war. Just because we offer prayers, however, we are not absolved from the responsibility of taking whatever action we can to ensure that there is no war.

In conclusion, I should like to ask the Secretary of State for External Affairs to give us a little more information regarding the precise position of the Canadian forces now in Europe. The United Kingdom, as is well known, has made a commitment of four divisions and their second tactical air force. She is also very heavily committed financially. Just what is the status of the Canadian brigade and the air division in Europe? The minister referred to it today, but we do know that for operational and training purposes heretofore the Canadian brigade has been under the command of the British commander on the Rhine. We are vitally interested in this problem. Any further explanation that he can give us regarding the system of command would be beneficial to the country.

We have heard of the increases and further commitments which have been made by the government of the United Kingdom. This afternoon the minister said he had given assurance that Canada would play her full part in the new defence organization. Is he satisfied that Canada is playing her full part in relation to what the other NATO powers are doing? While he has made no commitment to the other powers as to whether Canada is to give any guarantee that her forces will remain in Europe for any definite period or whether there is to be any increase in these forces, perhaps he would inform this house as to whether it is the intention of the government to make any further commitments in that respect.

Mr. Stanley Knowles (Winnipeg North Centre): In rising at this time, Mr. Speaker, I am deeply conscious of that sense of appreciation which I am sure is often felt by every member of this House of Commons. Differ though we may on major or minor issues—and we now have before us one of major importance—all of us are extremely grateful for the fact that we in this country are the proud possessors of free institutions including, in particular, this free parliament, where it is not only our right but our obligation to express our firm convictions. That, Mr. Speaker, is what other members taking part in this debate are doing, members from all sides of the house, and that is what I propose to do at this time.

As my leader the hon. member for Rosetown-Biggar (Mr. Coldwell) indicated this afternoon I would do, I rise at this time to oppose the motion. I do so, Mr. Speaker, for three reasons. First of all, I shall register my opposition from a deep personal conviction. It is my judgment that the rearming of Western Germany at this time is a step we should not now be taking. My second reason for rising to express this opposition is that I am satisfied, as other members are—indeed as other members have said—that there are thousands of good, solid, patriotic Canadians —never mind the others—from one end of this country to the other who are concerned about this step. Indeed there are many who feel it should not be taken, and I believe their view should be expressed in this debate as early as possible.

I also take this position because, as my leader pointed out this afternoon, it is the position of the movement to which 24 of us in this house have the honour to belong. As my leader pointed out, at our national convention in August 1954 a decision was taken against the rearming of Western Germany at this time.

Further, as my leader pointed out in his address this afternoon, the matter was under very serious consideration at a meeting of our national council this past week-end. That meeting of course was held with the knowledge of the debate to be undertaken in the house this week; and the view of that council by majority vote was that we should oppose the rearmament of Western Germany at this

time. And so I say it is for those three reasons I rise now to state my opposition to the motion presented to the house this afternoon by the Secretary of State for External Affairs (Mr. Pearson).

All of us recognize, and that recognition has been stated by every member who has spoken, that this is a very difficult question—perhaps the most difficult one that most members in this present parliament have had to face. Everyone will agree that, at best, the proposal to rearm Western Germany at this time is a calculated risk fraught with very real danger. Indeed the Secretary of State for External Affairs said this afternoon that at best it had to be regarded as a tragic necessity.

A while ago the hon. member for Trinity-Conception (Mr. Stick), in indicating that he would vote for the motion, said, if I heard him correctly, that he was sorry that he had to vote for it, but he felt from conviction that he had to do so. The hon. member for Esquimalt-Saanich (Mr. Pearkes), who has just spoken, expressed similar sentiments.

In other words everyone recognizes that the risk being taken is fraught with danger. Those who support the taking of that risk feel that it has to be taken because of the menace of Soviet imperialism. Some of us feel that it is precisely because of that menace—and it is a menace—and that it is precisely because of the seriousness of the world situation at this time, and that it is precisely because the division of our world into two camps should not be pushed beyond the point of no return, that Western Germany should not now be rearmed.

I wish to say very clearly that I do not impute to any of those in the house who support this motion any militaristic or warmongering motives, and I abhor the fact that there are in this country those who do impute such motives. That is not the way to deal with an issue of this kind. There are too many members in the House of Commons who, themselves, have suffered at the hands of German militarism for anyone to think that there is any member in the house who likes the idea of putting arms back into the hands of Germans.

We in the House of Commons, and the people of this country from coast to coast, will never forget the names Dachau, Buchenwald and Belsen. We will never forget those six million Jews who were slaughtered during the Hitler regime in Germany, an awful blot not just on those who perpetrated such a crime but on our times. There is no doubt about it that no one, not even the most ardent advocate of the motion before us, wishes to put arms back into the hands of the Germans. Those who are making the decision to vote for the motion are doing so as a result of applying their best judgment to the problem, because they feel it is the best way out of a dilemma and the best solution of some of the most difficult problems now confronting the world.

By the same token I ask that no one say of anyone in any corner of the house who rises to oppose the motion that he is a communist stooge, that he is playing the communist game, either wittingly or unwittingly, or that he is trying to undermine the strength of the west, or that he is unwilling to take steps to bring Germany back into the family of nations. Thank God, Mr. Speaker, we have a parliament where we can discuss these issues on their merits.

I have been delighted at the level of debate thus far, even though I disagree with the conclusions reached. I have listened with deep respect to the arguments put forth and I rise confident that, though my position may be different from any that has been expressed thus far today, the same respect will be shown for my position which, as I say, I believe is shared by a great many people in this country.

What we are seeking to do is to bring to bear on the problem before us the results of our best judgment. It is my judgment that the position taken by the movement to which I belong, at its national convention and national council, is the correct one, and that we should not rearm Germany at this time.

Not only is the question in itself a difficult one, fraught as it is with memories and emotions, and all the rest of it, but it is a difficult and tangled question procedurally. So far as most of us are concerned, so far as the people of Canada who are watching this debate are concerned, this is a debate on German rearmament. The Secretary of State for External Affairs could point out that that is not the motion he has proposed, but that he is proposing a motion for the approval of a protocol admitting the Federal Republic of Germany to NATO.

He will readily admit of course that the rearmament of Germany is involved in the other agreements to which he referred this afternoon; so that in fact, tangled though it is, we do have involved in the proposition that is before us the fundamental question of German rearmament.

The Secretary of State for External Affairs, if I may say so with deep respect, I think confused that issue this afternoon by having quite so much to say about the right of a free and democratic Germany to be brought

into the western community. I agree with that and I want it to take place, but the difficulty that confronts us is that what we have before us is not just a motion that German sovereignty be restored; that Germany be brought into the orbit of the west. We are confronted with a multiple proposition, including some things that are good, but including this one element which some of us feel is exceedingly dangerous. Because of that one element, the proposal to agree now to the rearmament of Germany at this time, I for one cannot support the motion. My vote, Mr. Speaker, which will be against the motion presented to the house by the Secretary of State for External Affairs, will be a vote on my own behalf and on behalf, I believe, of many thousands of Canadians against rearming Germany at this time.

Since I have taken that position the obligation rests upon me to say why I think this step should not be taken, particularly in view of the well-thought-out arguments that have been presented by the Secretary of State for External Affairs and by others, including the hon. member for Esquimalt-Saanich (Mr. Pearkes) who just preceded me with an analysis of the whole situation from a military point of view.

I think everyone will recognize that basically my reason—and I am sure that goes for others in the house who no doubt will join with me in opposing the motion—is that some of us have come to the conclusion that in view of the type of armaments that are available for modern warfare we simply cannot permit the world to go to war again. The hon. member for Esquimalt-Saanich dares to hope that the hydrogen bomb is so terrible that it will not be used; therefore we must have conventional armaments upon which to rely. We all hope that is true, but I wonder whether in our heart of hearts any of us really believes that a third world war would go very long without the use not just of the now obsolete atomic bomb but of thermonuclear weapons. No, Mr. Speaker, I feel we have to start from that premise and somehow we must take the kind of steps which will make sure that war will not break out again.

I liked the challenge the Secretary of State for External Affairs threw out this afternoon —often when he makes speeches with the conclusions of which I do not agree I find that they nevertheless contain many sentences I enjoy, sentences that get quoted by those of us in this group—I liked the challenge he threw out when he suggested that it is up to us in this day and age to see that the tremendous forces and powers that are being given to us by science are used not for warfare but for welfare. It is no longer a dream, no longer something we must hope for. It has become a necessity for us to do so. If we use these things for welfare, we are blessed with a glorious future. If we use them for warfare there is no future.

Therefore, Mr. Speaker, starting from that basic position that we must expect a third world war to result in the possible end of civilization, so that it is to be avoided if at all possible, I come to the immediate question as to whether or not Western Germany should be rearmed. I feel it should not be rearmed because by doing so we run a greater risk of war breaking out than would otherwise be the case. I see that greater risk in two ways. On the one hand, I frankly admit that I am afraid, as are a great many people, of what a rearmed Germany herself may do.

I congratulate those who devised the controls that are written into the agreements that are behind the motion before us. They are the most effective controls of that kind we have ever seen. I recognize the statements that have been made by others, that for the first time there is a Germany in which the political arm will be superior to the military. But, Mr. Speaker, we are not far enough away from what the Germans have done in two world wars to be sure the same military aggressiveness that broke through the controls, lesser though they were, which were set up after world war I, will not break through again. One thinks of the complications that arise because of the various ways in which changes can be made. Some things can be changed only by unanimous consent; some things can be changed only by a two-thirds majority, and some things can be changed by a simple majority. Some of the controls are simply guarantees based on the pledge of the present German chancellor, Dr. Adenauer. When one realizes that in all these things are certain economic compulsions, he realizes that those controls, strong though they are, well worked out though they are, can be broken through.

My leader this afternoon quoted that dispatch from Reuters concerning the Dornier organization which has already established a branch in Spain for the production of aircraft to get around the prohibition of manufacture of that type of aircraft in Germany itself. We know the ingenuity of these people. The fact of the matter is that though certain non-Prussians, as the hon. member for Esquimalt-Saanich said, may in the immediate future be in high positions in the German army, they will have to rely on men who had military experience in world war II. I suggest that there is very real danger that it will not be long until those same people will again be in charge of

German troops, with all the compulsions, the compulsion particularly toward German unification, that are there. I need not drive home the point that the danger is very real.

As for German unification, I do not want to misquote the Secretary of State for External Affairs, but I believe he said this afternoon that would of necessity or inevitably be a major factor in German policy, the desire to reunite the two parts of that country of so many millions of people. Therefore, Mr. Speaker, because of these underlying compulsions, it is my fear, and the fear of a good many people, that we might find in the not far distant future we would ourselves be the pawns of the militarists who have been our enemies in two world wars. Remember that it will not be long under this arrangement until the German military people will be the largest single group in the European continental part of NATO. They will be newcomers. They are like the new members in the back row of this house; it does not take long for new members to get down to the front. It will not be long before this newcomer to the North Atlantic partnership will have a major voice because of its strength on the continent of Europe. I suggest we have to think very carefully before we agree to the arming of Germany at this time.

As I said earlier, and as my leader said this afternoon, those of us who take this view must not be regarded as opposed to the idea of bringing Germany back into the family of nations. I would go further than bringing her back into the western group; I look forward to the day when Germany might be able to take her place in the United Nations, and to the day when that organization might be enlarged to take in all the nations of the world. I know there are those who will say "There is a dreamer", but I submit that in the light of thermonuclear warfare the dreamers have become the realists. There is no future unless we get rid of war itself.

As I said earlier, the rearming of Western Germany would increase the danger of war rather than decrease it on two counts. My first point was that I would be afraid of what would be done by a rearmed Germany herself. My second point is that this step will increase the danger of war, because, if I may use the very language the minister used this afternoon in trying to set the argument aside, it is in the nature of an irrevocable step in the further division between east and west. I know that east and west are divided; I know that the Soviet union has played a major part in bringing about that division, not only in drawing the line of division but pushing it as far west as she can.

[Mr. Knowles.]

I know how obstinate the Soviet union has been; I know too that one must not think of West Germany as far as we are concerned as being any different in a military sense than the placing of arms in France or any other of the NATO countries. But let us face the fact that this has become a fetish; this has become a point which seems to the other side to be a case of our taking an offensive step.

There is no question, no matter what our philosophical views of war and peace may be, that we are in the kind of world where you have to be in the position to negotiate from strength. But there are two kinds of strength; there is not only military strength, but moral strength. As for military strength I listened with interest to the exposition made by the hon. member who preceded me as he made the point that from the military point of view we need the extra 12 divisions and extra German aircraft in order to achieve a balance. Suppose that takes place and that so-called balance is achieved. Is that the end of it or does the other side then decide it has to get more? Then where do we go from there? Is Spain next? I hope not. I hope there is some point where we will realize that we in the west not only need military strength but that we need moral strength.

I think that our moral strength is weakened if we at this time put arms into the hands of ex-nazis. I want the west to be strong. I accept the proposition, whether I like it or not, that in the world today we have to be in a position to negotiate from strength; but I think there comes a point where you will push that building of strength beyond the point of no return, where there is nothing left but an arms race which can have only one end, an explosion into a catastrophe that can mean the end of civilization.

I believe that in this world today we are playing for time. We need it terribly. There are things that we can do if we are given the time. The Secretary of State for External Affairs, as I have already suggested, referred to the tremendous forces being made available to us as science gets down to the power of the atom with its tremendous peacetime uses. If we had the time I think mankind could yet turn this world from one of recurring wars to one of permanent peace and human accord, with a high standard of living for mankind the world over.

I think we can yet achieve the dreams of the religionists and poets of days gone by, yes our own dreams and hopes, but we need time. Let me get specific rather than poetic. We need time to push the Colombo plan, and to push it a lot more than the Secretary of State for External Affairs is proposing that we

push it by increasing our contribution by only a million dollars. We need time for tremendous advances on the economic front.

This afternoon the minister mentioned the need for solving the basic causes of war, for getting down to the roots of things. We need time for that. If we had the time I think we can do it. Given the time I think we can remove some of the causes of the world's ills. We can change the picture so that instead of two-thirds of the world's people going to bed hungry tonight, as they do every night of their lives, there might be some sharing of the food and good things that we can produce.

We need time for these things. My fear is that if we take the wrong step we may throw time away. We need time for further diplomatic efforts. This afternoon the minister said, in response to the suggestion that still further efforts should be made to get together with the Soviet union to solve the problem of Germany, that sixteen attempts had been made during the last several years. The inference was this: Is it fair to ask for another attempt to be made?

I would rather that we made 16 more attempts than go to war. Almost everybody who ever discusses the United Nations when some heated discussion is going on says that it is far better that they should be calling each other names and fighting with words than that we go into the catastrophe of a hot war.

I think we should continue the efforts to obtain the reunification of Germany even if it does mean multiplying the efforts and multiplying the attempts. I was going to say, multiplying them times without number.

The Secretary of State for External Affairs suggested this afternoon that one of the cornerstones of German policy will be the reunification of that country. He talked about giving Germany sovereignty. Even this set of agreements does not give her complete sovereignty. So far as military matters are concerned she surrenders sovereignty in the same sense that France and other nations in the agreement do, but in addition she has no sovereignty over her relations with East Germany or in the making of peace with her enemies in the last war.

So the German problem is still there. It is not solved by the arrangements that are now suggested. I think the Ottawa *Citizen* is right in its editorials when it suggests that the possibility of negotiating the reunification of Germany after we have armed West Germany is not as good as it would be if we were not to take that step, which I am afraid is going beyond the point of no return.

So I urge in all seriousness and in all earnestness that the house give a great deal of consideration to this matter. It may be said, and said rightly, that whichever step we take we will really never know whether we are right or whether the other step should have been taken. Of course, if we take the wrong step, whichever one it is, and the result is a third world war with all its catastrophic consequences, it will be known that it was wrong only if there is anyone left to know it. Let us avoid that situation, Mr. Speaker. Let us use the time we have to push for the settlement of disputes along the lines outlined in the charter of the United Nations. Let us use the time we have to get the rest of the world into that world organization. Let us pursue our economic attacks on the problems connected with war. Let us try to remove the causes of war. We have time to do these things. Let us not throw away our opportunity by taking the wrong step.

At the outset, Mr. Speaker, I said that I rose to make these remarks particularly conscious of the great possession that is ours in this free parliament, in which we have not only the right but the obligation to express our convictions and what we believe to be the convictions of the people who sent us here. Having been able to make these remarks without some of the interruptions that I thought might come, I now want to express my appreciation of the respect that has been shown for my views by those hon. members who I know do not share them. I trust that the debate will go on in that vein and that we shall have discussion of this important question on the basis that it is our job to bring our best judgment to bear on this question.

As my leader said this afternoon, we in this group regret that in our attempt, as a group of 24 members, to bring our best judgment to bear on the question, we have not all come out with the same conclusion. Regret that fact though we may, I think I can say for my leader as well as for myself that we are proud of the fact that, so far as our party is concerned, we feel that it is our right and our duty to express our personal convictions on this issue and to vote on the motion in the way that each of us feels is best for the future of this country and best for the future of mankind. I hope that members in all other parties will do the same.

Mr. L. D. Crestohl (Cartier): Mr. Speaker, I know of nothing more tormenting or more

difficult than the clash between a man's emotions and his urge for rationalization. In the one case he is prone to deal with a problem in response to his feelings, his passions and his conscience and in the other he faces it with an almost precise mathematical calculation based on logic and pure reason.

Men in all of the democratic countries of the world in recent months have been pondering over and are today struggling with precisely this dilemma. By the measure now before the house hon. members are also called upon to face it. I feel that each one of us should seek a solution not only by such processes as those with which the Almighty has endowed us but also with a most solemn prayer that Divine guidance will lead us to a conclusion that may be in the best interests of all mankind.

As one of the beacons for guidance in my difficulty, Mr. Speaker, I should like to take a phrase frequently used by our Prime Minister (Mr. St. Laurent). In describing the consideration to be given to a piece of legislation, he always urges us to follow what I consider to be a most democratic precept, namely that we must constantly seek the greatest good for the greatest number. That is a brief quotation but to me it is a profound and soul-searching guide in considering this extremely difficult problem. I interpret this to mean that individuals should yield their personal considerations for the benefit of their ethnic groups; ethnic groups should yield their own motivations for the benefit of their country; and countries should yield their particular viewpoints for the benefit of the world. If yielding in all these cases should be necessary to obtain the greatest good for the greatest number by approving this resolution, I find myself as an individual, as a member of an ethnic group and as a citizen of this great country in that very dutiful position.

It is perfectly true that almost four years ago on the floor of this house I took a forthright position against arming nazis. My views are on record. At that time I stated that history is replete with Teutonic bellicose activities. In our own lifetime we have seen what Germans will do with arms. We remember 1870, 1914 and 1939. They had arms but they shamefully abused them. I then also cautioned that there is no love in German hearts for France, England or America who humbled into submission their abuse of military power. I then believed and I still believe that, hungering for revenge, Germans might use our own weapons against us at the first opportunity they had.

It will consequently, no doubt, be a bitter pill for thousands of Canadian families who suffered at German hands to acquiesce in arming those same Germans. We can also well imagine that individuals, ethnic groups and countries that were virtually devastated by the German military machine may likewise be writhing in anguish as they contemplate rebuilding this military machine once more. In order therefore to give full and careful consideration to this painful problem, Mr. Speaker, we cannot—we must not—forget, especially at this solemn moment, that we are being asked to ally ourselves with and to help arm a country that has been proven guilty of the most heartless atrocities in human history.

Less than a month ago, while in Rome, I was taken to a martyr's shrine and, in a single mausoleum, I saw 374 sealed coffins of innocent men, women and children who were forcefully taken off the streets of Rome at random and shot in reprisal for the death of three SS troops.

On December 21, 1954, in the Ottawa *Citizen* Mr. Jack Scott painfully describes a similar incident in the Ardennes forest in France. History will ever remember the atrocity of Lidice, the inhuman nazi laws enacted, not under the pressure of war conditions, but in cool, premeditated and calculated wickedness: sheer inhuman wickedness, unequalled in the history of our civilization.

I do not want to inflict upon the house the details of some of these laws that reduced intellectual giants—men who made great contributions to twentieth century civilization and fine human beings—to the level of ordinary animals, and then destroyed them. Nor can we ever forget, Mr. Speaker, that these are the people who constructed gas chambers and crematoria in which they wantonly murdered 14 million innocent people.

All this, Mr. Speaker, briefly summarizes one side of the dilemma. This sad picture, as it did in 1951 when I addressed the house on this question, could lead us to the conclusion that it may be dangerous to place weapons of warfare in German hands once more. Many of the leaders of the democratic countries at the time thought likewise, but they have since then modified their views. What intervened? Do they now see a danger to the peace of the world that is greater than the danger of rearming Germany? Apparently they do, because they now sound a clarion call to the peoples of the western world to rally and to unite to help ward off a third world war.

These leaders are, no doubt, fully mindful of the inherent dangers in arming Germany, but in their wisdom, to avoid an even greater danger, they are prepared to take what they

call a calculated risk. They believe that a united show of strength will help prevent a world disaster. Mr. Dulles, the United States secretary of state, summarized the situation in a recent statement when he said:

"The need for western European unity coincides with the new danger born out of the expansionist policies of Soviet Russia, inspired by the world-wide ambitions of communism and backed by a Red military establishment.

From this and from the information that constantly reaches us it becomes more apparent from day to day that the determination of the Soviets to communize the world by fair or foul means is like a hydra-headed dragon which unexpectedly emerges in various parts of our troubled world and there sinks its fangs and spreads its poison. If, Mr. Speaker, this constitutes the greater danger to world peace it must be stopped regardless of any emotional revulsion which most of us feel at the thought of having to arm a people known to misuse military might. As a consequence we are certainly placed squarely on the horns of a most painful dilemma and it compels us in making a decision either way, to arm or not to arm, to take a calculated risk.

We are primarily all concerned with averting another world war because we fear the horrifying consequences to the entire world. Therefore, and I again quote our own Prime Minister (Mr. St. Laurent):

We have to take those risks that seem to offer greater advantages over those that offer the lesser advantages for averting another world war.

I as an individual, and each one of the hon. members of this house also as individuals, have to make a choice between the lesser of the two evils which, for the purposes of more clearly understanding them, I should like to compare in the following way. We are facing two diseases which are menacing to mankind. The fear and the danger of arming Germany is one unhealthy condition. The war-threatening expansion of communism is the other. I consider the German disease as one which I think can be more easily curbed and arrested. With proper safeguards it is not likely to get out of hand again. The Germans tried it in 1914 and they tried it again in 1939. The back of the disease was broken on both occasions, and I doubt whether they will ever try it again. I do not think the disease is fully cured by any means but I do think that it is restrained and can now be controlled.

The other disease of Russian origin is to me not unlike a creeping paralysis or, in some cases, even like a galloping consumption, the virus of which is slowly penetrating into every corner of the globe. That disease, unfortunately, is not so easily checked, nor can it be so easily controlled. This creeping paralysis has crawled into China, Korea, Indo-China, a great section of Europe and has even split two major European capital cities, Berlin and Vienna. It is now penetrating by innocuous manoeuvres into Africa and Central and South America, and thus slowly it attempts to paralyse the whole of the democratic way of life. This disease is, consequently, to me far more dangerous than the German disease, and it is to cure, arrest and control it that every conceivable effort of man should be directed. If, therefore, in the wisdom of the democratic leaders, a third world war could be averted by stemming the advance of this cancerous paralysis and if this can be achieved by building an antidote in the form of a defensive force, it becomes a powerful consideration in helping me reach a decision.

Another consideration that influences the decision I reach, Mr. Speaker, stems from the fact that I recall the boundless hate of communism frequently expressed by the late President Roosevelt and the even more forthright assaults on communism constantly made by Sir Winston Churchill. Yet, when their feelings, conscience and emotions clashed with the stark realism of winning world war II, they selected what they thought was then the lesser of two evils and allied themselves with Russia. Their cold and calculated reasoning and rationalization subdued their emotional and idealistic hate of communism. History confirmed their judgment and proved them right.

Today history repeats itself. Democratic leadership again faces a Hobson's choice and has already declared itself as to the greater of the two evils. We are warned that the expansion of communism is a greater menace to world peace than our union with a militarized Germany. Our leaders correctly calculated their risk over ten years ago and they most certainly deserve now not only our confidence that they again correctly calculate the risk but, moreover, they merit our every support in their efforts to avert a catastrophic war.

Their judgment is abundantly supported, amongst other things, by the experience we had with the pressure groups that invaded Ottawa last week to lobby members of the house to vote against the resolution now under consideration. This hypocritical march on parliament helped me to decide to vote for the resolution rather than against it. There were some six delegations consisting of about 50 people who visited my office. I personally was unable to receive them but my secretary gave me their names and their propaganda. While there might have been amongst them a number of citizens who were there in good faith, as the minister stated, the delegations to my knowledge did not include a single person of authority or

responsibility. What I did find, however, was that the spokesmen were notorious leaders of communism and communist propaganda. These are the same men who have consistently over the years followed the Moscow line and who are known to be violent, active and unscrupulous agitators for communism. They have previously headed countless delegations to pressure members on a multitude of issues, but all of them pivoting around what would please the Kremlin rather than what is important or basic to the welfare of Canada, its people and the democracies.

The literature they have left convinced me that their concern was more for world communism than for world peace. They made me wary of the classical enjoinder to fear the gifts that the Greeks bring. Their presentation lacked sincerity and was altogether too colourful for me or anyone else to be impressed by their recommendations. It would be folly to be guided by their concern in the matter. Have these selfsame communists who invaded Ottawa ever raised a protest during the past three years, during which time they knew that Russia was arming East Germany to the teeth? Have they condemned the Kremlin by protest meetings, petitions, delegations, and telegrams for the alliance between the Russians and the eastern section of Germany? Are not the Germans in the east the very same type of Germans as in the west? Would it then be healthier, Mr. Speaker, for the preservation of peace to have a strongly armed East Germany and a completely unarmed and defenceless West Germany? This would bring Russian military might to the borders of France. Is that what they would like to see?

What would these selfsame communists do if they were to hear that Western Germany is entering an alliance with Russia and that Russia is arming Germans in the west with every conceivable form of weapon and instrument of destruction? That would certainly please them and I am sure that we would not hear from the infamous peace congress a whimper of protest against Russia for doing exactly what the democracies are now planning to do. To them, what is sauce for the goose is obviously not sauce for the gander.

How stupid and how inconsistent is their position! How effective a case indeed they clearly make out for the approval of the measure before the house! Their vociferous protests and anxiety convince anyone who may be in doubt, and who may be torn between his emotions and his reason, to promptly realize how fatal it would be to follow Moscow's desire in this matter. They help, therefore, provide the answer to the dilemma in which many of us find ourselves.

As I said a moment ago, Mr. Speaker, to my knowledge there was not, in all the delegations that came to my office, a single person in a position of responsible leadership. I thought it my duty, however, to seek guidance and I carefully canvassed the opinions of the recognized leaders in my own ethnic group across Canada. Nowhere in this responsible leadership was there an opinion other than to uphold the position of our government in its all out effort to halt the advance of communism. But at the same time we should like to caution our government and the democratic leaders of the world that this alliance should not be made without the greatest measure of controls, and safeguards being provided against any possible abuse of the weapons placed in German hands.

In order to achieve this, Mr. Speaker, I should like to call on the government to make certain that, in addition to the safeguards contained in the protocol, there should be further provision that the new German republic should be bound by the genocide pact and the human rights charter under the United Nations Organization. In this way inhuman or discriminatory laws enacted by the republic could be brought before the tribunal of the world, where they could be declared illegal and expunged from the statutes.

We recall, during the Hitler regime, the cries from world Jewish leadership to the democracies that inhuman laws were being enacted and implemented in Germany. The world remained silent. This silence encouraged the horrible legislative process of exterminating millions of innocent people. Under international law, very little else could then have been done. There could be no interference in the domestic affairs of a sovereign state. What a tragic situation that was!

Under the ties presently being established between the NATO countries safeguards must be taken against a possible repetition of such a condition. I should, therefore, like to see either enactments or obligations contractually undertaken that would make it possible to bring before the world tribunal for examination any doubtful law enacted by any member state. The international tribunal could then, if it so found, declare it a contravention of human rights and therefore illegal and inoperative.

With Germany as a member of the family of nations, she would be bound to abide by the decisions of this world tribunal, and could never again enact inhuman or discriminatory laws. She would likewise be obliged to observe and respect the four freedoms, as well as the contractual obligations she will undertake concerning the

limitation of her armanments as set forth in the protocol now before us.

With regard to the sure and careful control of German arms and munitions, as set forth in this protocol, I have every confidence that our military experts have provided adequate safeguards. But more important even than contractual arrangements, in my opinion, will be the assured maintenance of a strong allied land force on the European continent. This will be the best guarantee that the German army is not left free to run havoc with its own resourcefulness. Any complete autonomy given Germany should, therefore, only be agreed to with the proposed limitation of German arms. On that issue I agree completely with the people of France.

In other words, complete autonomy can cover everything with the exception of autonomous control of its army, air force and navy, as well as the extent of its armaments, all of which should remain constantly under the supervision of the western powers in conformity with the terms of the protocol.

Germany should not hesitate to yield to the western powers the fullest long-range guarantees to ensure against a resurgence of her militarism. In fact, Germany should not object to anything that will give the utmost confidence to her allies that she will comply with her obligations. This will also show that she consents to be placed in a position where she will not be able to use her armaments for her own military adventures, either now or in the future, if a changed leadership in Germany should at any time have such notions.

This procedure would also show a measure of atonement for the shameful performance in the past, and would be a genuine earnest of her humility in asking to be admitted to the family of nations once more.

I know, Mr. Speaker, that all my colleagues in the house will bear with me if they find that I have spoken with some emotion on this subject. If I did so, it is perhaps due to the fact that, to a greater extent than anyone else in the house possibly, I have personally been a victim of nazi cruelty. My rather distressed feelings result not only from the fact that I belong to that ethnic group which suffered most, but also because my own uncles, aunts and cousins, consisting of a family of over 60 persons, were tormented and put to death by the nazis. Hon. members I am sure can therefore appreciate that notwithstanding the over-all record of nazi cruelty and my own personal grief, I am still led to the conclusion to vote in favour of this resolution, I do so only because, to paraphrase a Shakespearean line:

Not that I dislike Berlin less,
But because I fear Moscow more.

By your leave, Mr. Speaker, I would like to make one more personal remark, and it is this: as I stand here before my colleagues on the floor of this house, and as one of the spokesmen of my ethnic group, I most solemnly declare that I vote for the resolution, but not without a deep ache in my heart caused by my grave doubts, apprehensions and misgivings; and I therefore accompany my vote with a most fervent prayer that, in the wisdom of Him who guides the destiny of us all, this vote may be for the betterment of all mankind.

On motion of Miss Aitken the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris moved the adjournment of the house.

Mr. Rowe: What is the business for tomorrow?

Mr. Harris: Mr. Speaker, we shall continue with this debate tomorrow.

Motion agreed to and the house adjourned at 9.55 p.m.

HOUSE OF COMMONS

Friday, January 21, 1955

The house met at 2.30 p.m.

HOUSE OF COMMONS

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE ON PROCEDURE

Hon. W. E. Harris (Minister of Finance) moved that the first report of the special committee appointed to consider with Mr. Speaker the procedure of this house, presented Thursday, be now concurred in.

Motion agreed to.

HOUSING

CENTRAL MORTGAGE AND HOUSING—ADJUSTMENT OF END SELLING PRICE AND DOWN PAYMENT

On the orders of the day:

Mr. R. E. Reinke (Hamilton South): I should like to address a question to the Minister of Public Works. Has Central Mortgage and Housing Corporation recently taken steps to adjust the end selling price and down payment of homes built under the National Housing Act, as reported in the Hamilton *Spectator* of Wednesday, January 19?

Hon. Robert H. Winters (Minister of Public Works): I thank the hon. member for giving me notice of his question. Central Mortgage and Housing Corporation has the end sale prices of N.H.A. houses under continuous study and this recent adjustment is the result of a review just concluded. It is related to current building costs.

REDISTRIBUTION

REQUEST FOR STUDY BY HOUSE COMMITTEE

On the orders of the day:

Hon. Roch Pinard (Secretary of State): I should like to answer a question asked two days ago by the hon. member for Winnipeg North Centre. His question to me, as found in *Hansard* of Wednesday, January 19, page 331, reads as follows:

Mr. Speaker, I wish to direct a question to the Secretary of State. Has he been made aware of the steps being taken in my province of Manitoba to set up an independent commission for the redistribution of provincial electoral constituencies? In view of a motion on this subject that was passed by the house last year, will the government consider arranging for a committee of the house to study that matter at this session so far as federal constituencies are concerned?

To the first part of the question I would say that no information has been received either by the Department of the Secretary of State or by the chief electoral officer; in so far as I am concerned the only information I have received is through the newspaper report which my hon. friend was good enough to send me the other day. In so far as the second part of the question is concerned, I wish to state that this matter has been under serious consideration for some time and no decision has been arrived at yet.

GRAIN

REPORTED DECREASE IN WHEAT SHIPMENTS BY CANADA

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Minister of Trade and Commerce arising out of the latest crop report and having to do with the sale of wheat. Why is it that in the first four months of the current crop year Canada's shipments of wheat abroad have dropped compared with increases on the part of the other three great producing countries? Why is it that Canada's share of the over-all market has dropped while the share of three other countries has increased?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The facts as stated by my hon. friend are not true. The reason shipments dropped—

Mr. Diefenbaker: They are right in the records.

Mr. Howe (Port Arthur): They may be in the records, but my hon. friend is looking at shipments rather than sales. The reason shipments dropped is that there was no carry-over of sales as there was in the previous year, but I can tell him that sales this year are ahead of this time in any of the last several years. It is really the sales that count. Eventually that wheat moves, and we look for a good year in wheat.

Mr. Diefenbaker: That is not what that record shows.

Inquiries of the Ministry

PARLIAMENT BUILDINGS

SYNCHRONIZATION OF ELECTRIC CLOCKS

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I should like to ask the Minister of Public Works if he thinks his department will eventually be able to get the electrical clocks around the building back into operation and synchronized and, if so, when he thinks that might be done.

Hon. Robert H. Winters (Minister of Public Works): At the earliest possible opportunity.

Mr. Fulton: I believe I am correct in understanding that the hon. gentleman is a most highly qualified electrical engineer. Could he, therefore, perhaps take the matter under his personal supervision?

VETERANS AFFAIRS

EXPROPRIATION OF PROPERTIES HELD UNDER VETERANS LAND ACT

On the orders of the day:

Mr. T. H. Goode (Burnaby-Richmond): I wish to address a question to the Minister of Veterans Affairs. The province of British Columbia is expropriating land for the southern terminal of the Oak street bridge in Richmond, British Columbia. Some of the land is held by veterans under the Veterans Land Act. Will the minister make an investigation to assure those veterans that they are afforded full protection by the Department of Veterans Affairs?

Mr. C. E. Bennett (Parliamentary Assistant to the Minister of Veterans Affairs): I thank the hon. member for Burnaby-Richmond for giving me notice of his question. As a matter of policy, the director of the Veterans Land Act endeavours to co-operate with municipal and provincial governments in cases where land, the title to which is held by the director but which is under agreement for sale to a veteran, is required for public purposes, always assuring, however, that the interests of the veteran settlers are fully protected and that the price is fair. Any veteran whose property is required for such purposes, should he so desire, is assisted in obtaining a continued establishment on another suitable property. The time in which the veteran earns his conditional grant continues to run from the date of his original establishment. In the case of the Oak street bridge terminal, about 12 veteran settlers are affected. These have already been told to seek the advice of the Veterans Land Act appraisal staff before agreeing to any offer made to them.

[Mr. Diefenbaker.]

PUBLIC BUILDINGS

LIBRARY OF PARLIAMENT—INQUIRY AS TO COMPLETION OF RECONSTRUCTION

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Minister of Public Works which he may take as notice. When is the parliamentary library going to be ready for use?

Hon. Robert H. Winters (Minister of Public Works): There is still a considerable amount of work to be done on it, but I will take the question as notice and endeavour to give a target date in a few days.

NORTH ATLANTIC TREATY

APPROVAL OF PROTOCOL ON ACCESSION OF FEDERAL REPUBLIC OF GERMANY

The house resumed, from Thursday, January 20, consideration of the motion of Mr. Pearson:

That it is expedient that the houses of parliament do approve the protocol to the North Atlantic treaty on the accession of the Federal Republic of Germany, signed by Canada at Paris on October 23, 1954, and that this house do approve the same.

Miss Margaret Aitken (York-Humber): Mr. Speaker, so far in this debate we have been listening to the experts. We have had experts speak on the political, military, security and defence phases of rearming Germany. We have listened to one hon. member tell us why he is opposed to rearmament. I think that at least on one thing we are unanimous in this house, and that is, this is one of the most difficult problems we have had to face. Certainly, it is the most difficult problem we have had to face since I came into the House of Commons. I am sure that is true for everyone in this house.

Having listened to the experts, I want to say something about the more human aspects of this problem and what I believe is going on in the minds and hearts of the Canadian people. It seems strange indeed that we should be asked to deliver arms on a silver platter to a people who were our bitter enemies ten short years ago. I believe that instinctively most of us would like to vote in the negative because our memories are not that short. The hon. member for Winnipeg North Centre (Mr. Knowles) has explained why he is voting against the rearmament of Germany. We all listened carefully and I do not think we ever doubted his sincerity. But, Mr. Speaker, he left us with the scales unbalanced. He highlighted the dangers of the rearmament of Germany, but he did not highlight the dangers of the alternatives.

What are the alternatives? During the past month I have received scores of letters asking me to vote against the rearmament of Germany. I have seen almost as many delegations. In fact, Mr. Speaker, I can say that I have not refused to see any person or persons who had opinions on this subject. Even when I knew they were communist-inspired delegations or letters, I saw them and I read them. It seemed to me this was no time for one's personal prejudices. Many of those who came to see me were not communists, but loyal, patriotic and worried Canadians. On this same subject of rearming Germany one hon. member in the British House of Commons said foreign affairs is a choice of difficulties. No truer words were ever spoken. Our choice is a Russia armed to the hilt on one side and on our side an unarmed vacuum in the middle of our own defences.

When I have asked the people who came to see me and to ask me to vote in the negative what the alternative would be, they have said, negotiate and keep on negotiating. They have said, better 1,000 years of negotiating than one day of war. As the hon. member for Prince Albert (Mr. Diefenbaker) said yesterday, the allied foreign ministers have already held 352 meetings with Russia over the Austrian peace treaty. We are no nearer settlement than we were 352 meetings ago. I say, by all means let us keep on negotiating, but not through fear. Let us negotiate in equality.

In arming Germany we are not, as I see it, obliterating our chances of negotiating. In fact, I believe we are actually broadening the avenue towards peace. There are no more realistic people in the world today than the Russian leaders. They know, as we know, that it is better to bargain and negotiate through strength than through weakness. I believe nothing proved this more conclusively than the Berlin airlift. When the Russians blockaded our lines to Berlin the ingenuity and imagination of men was enlisted to overcome the blockade. Brains, not guns, were used. There was no war. As soon as the Russians realized that they were beaten at their own game, they capitulated.

No, Mr. Speaker, I have come to appreciate that you cannot bargain or negotiate in weakness. But it does seem to me that the government has been woefully remiss in explaining to the Canadian people why Germany should be rearmed. In foreign affairs, this government seems to adopt a very patronizing attitude, a sort of papa knows best attitude; a children should be seen but not heard attitude. Perhaps that was all right when our voice did not amount to much in foreign affairs, but today it does count and no one man or group of men should take it upon themselves to make these decisions without consulting parliament.

An articulate politician in the United States in the person of Mr. Adlai Stevenson once wrote:

> Unless the great political parties and their spokesmen assume responsibility for educating and guiding the people with constant candor, how can we be sure that majority rule will meet the test of these searching times.

I feel that this government has not assumed any responsibility for educating and guiding the people on this very complex problem.

There has been much talk in the house about an unarmed Germany being a dangerous vacuum in Europe. Yesterday the minister said that we of the democracies abhor vacuums while the Russians step into them. That is exactly what has happened in Canada between October and January. The government allowed a vacuum of ignorance to emerge. The communists filled that vacuum with the fears and natural apprehensions of the Canadian people. For one thing, the fellow travellers of communism have been playing hard on the fact Germany will be in the atom bomb race. Until yesterday the government did nothing to explain exactly where the atom bomb came into this picture. Until yesterday the government did nothing to reassure Canadians as to the safeguards that are being devised. Until yesterday the government did nothing about the elaborate system of arms control that the allied powers planned.

Is it any wonder the Canadian people are confused, apprehensive—yes, and fearful of what this parliament is doing. Those Canadians who look with favour upon the communist line have been quick to seize upon a Gallup poll which was taken on November 24, 1954. Their interpretation of this poll is that 61·6 per cent of the Canadian people oppose a new German army. That is not the true picture, Mr. Speaker. I believe it is the fault of the government and not of the people or of the poll that it is not a true picture.

I believe that any one of us, if we had been asked such questions without any background knowledge, with no explanation, no ramifications, would have said no, too. The government has made no effort, despite the millions spent on publicity and public relations bureaux, to inform the people. The first question in this particular poll was, can you tell me what the initials EDC stand for? Only one in five Canadians knew the answer. There were 74 per cent who could

not answer at all. The next question was, if Germany were allowed to have her own army, do you think it would be a step towards peace or away from peace? There were 43 per cent who said it would be a step away from peace and 27 per cent said towards peace. There were 26 per cent who had no opinion whatever.

In summing up, the Gallup poll itself has this to say:

> If it had been practical to include the fine shadings of the control question, results might have been different.

I question the word "practical". I do not think anyone knew the fine shadings of the control question in order to ask it, and certainly they did not know the answers. So there is a vacuum that this government has allowed to emerge between October and January.

Mr. Speaker, I am going to vote for the inclusion of Germany in NATO—not because I like it but because, after a great deal of honest study and much soul-searching, I believe it is the only alternative. I believe it is the safest step for peace. I believe it is the practical rather than the sentimental step toward a sane and civilized world.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, we have been presented with what is apparently, on the face of it, an innocuous resolution, and we have to give a decision on it. But I suggest that this innocuous resolution is more like a package deal than anything else—and I am supremely suspicious of package deals. Because while this resolution deals only with the admission of Germany to NATO, there is not one member in the house who does not realize that what lies behind it, unsaid and unwritten, is the rearmament of Germany. And there is not a member in the house who has yet spoken, either for or against the motion, who has not expressed his fear of it.

We have been told that we are faced with a calculated risk, and that is true. Most of our policies in external affairs must be calculated risks. But a calculated risk can be either a success or an uncalculated disaster. There is not one of us who does not hope that the net result of this agreement will mean success, for the sake of the peoples of the world; but there are many of us who fear that, unhappily, the outcome may be uncalculated disaster.

This is not the first package deal we have had in parliament. We had one some years ago when NATO was presented. I supported NATO then for reasons which at the time I considered adequate and which, in retrospect, I still consider adequate. To some substantial extent the western world had disarmed after the war. But we saw what happened in Czechoslovakia; we saw what happened to Poland; we saw the encroachment of international communism, and for our own sakes it was essential that a line be drawn. But in diplomacy you can only draw a line when you have guns behind it, and that line is only as strong as the calibre of the guns.

And so I supported rearmament because it was put before us—and rightly so at that time—as something which was urgent, imperative and for our own well-being. But there was also something else in that package deal; and I supported NATO as much for article 2 as I did for the rearming of this group of allies.

Article 2 is the article which promised us some hope of economic and political co-operation on the Atlantic. I remember my friend, who was then the hon. member for Vancouver East and is now the hon. member for Vancouver-Kingsway (Mr. MacInnis), saying back in 1947 that there was going to be no safety for the world in an arms race, or in military alliances, but that the solution had to be achieved in another area, which was the area of economic co-operation. Apparently the government of the day believed that. They went to Washington, and Canada achieved some prestige throughout the world because of this article 2, which was presented by Canada and which is known as the Canadian article.

Yesterday, dealing with aspects of NATO other than military, the minister said that NATO is potentially more than a military alliance. I thought so, too, Mr. Speaker. But how potential is "potential"? When are we going to get some results? When are we going to get some action?

The minister said that we are seeking to develop a North Atlantic community. I would like to see a North Atlantic community; but what practical proposal is this government going to make to develop that sort of community? I may be told, "Oh, we are making private protestations". I am not remotely interested in private protestations. I want public declarations of policy so that I know where the government stands in respect of its own child, article 2 of NATO.

We said—and I believe there are many who agreed with me—that if NATO was going to be strong defensively it had to be strong economically. We have iterated and reiterated this at wearisome length throughout the years, and our warnings have been valid, even though they have been ignored.

In 1949 the government were all for article 2; they were proud of article 2. But through the intervening years, down to the present, there has been a weary shuffling back on the road from Damascus. There has been nothing done, so far as any significant effort is concerned, to achieve what we want. And one of the troubles today, not only in this House of Commons but in the western world, is that we are facing the problems of 1955 with minds which still dwell in the years before 1939. There has to be a shaking up in our thinking.

Some six or seven years ago the government saw the necessity for economic co-operation, because fear was in the hearts of the people. The government saw the light, but now that light is spluttering to ignoble extinction. It is not good enough.

Article 2, the creature of this government, up to the present has been a lamentable failure, and the government must take the responsibility for it. For we were in a position to give leadership. It is not too late to give that leadership, but if we fail to do so the failure will be a suicidal failure.

I have been told that there is no alternative to the calculated risk set before us. I do not believe it; I simply do not believe it. There is one, but we have never tried it out —for what reason, heaven knows. Whether we lack determination or vision I do not know; but I do know we have not tried out the alternative.

Yesterday the minister said there are certain courses which we can pursue. He said that we could keep Germany disarmed and neutralized. That is a policy which I exclude immediately. I do not say it is not possible, but I say it would be unutterably stupid to pursue such a policy, because the net result could only be that the Germans would be left so embittered and vengeful that war would be inevitable.

The minister said that, as a policy, we could do nothing, and hope that something would turn up. I repudiate that policy for reasons I have given before, the chief reason being that it is impracticable.

The minister suggested as another policy that we could give Germany back her sovereignty, without any conditions attached. I reject that, because it solves no problem and would not solve the problem before us in this house today.

Now we have been presented with another solution which the government itself accepts. We have been invited to vote to bring a rearmed, sovereign Germany into NATO. This is an invitation I decline, for the basic policy which the government has been pursuing in the last few years is wrong.

There is another policy, that of putting the horse before the cart. If I may digress for a moment, hon. members in this house realize as well as I do that throughout this country the concept of the Colombo plan has received acclaim, and is popular throughout the nation.

On the other hand, NATO is regarded with apathy. On the Colombo plan we are going to spend this year the niggardly miserly sum of $26 million, but because the people know that this is something positive and affirmative and something which will help the world, they are prepared to go for it in an infinitely greater measure than the government apparently believes; yet on NATO, if we include capital expenditures, we may spend $1,000 million this year. There is nothing but apathy and, in some areas, dislike. Who is to say that the instinct and the judgment of the Canadian people are wrong because they feel with justification that NATO is nothing more than a military alliance? NATO is something vastly different from that which we envisaged and that is why we feel that our hopes have been betrayed. There is a lesson to be learned from this.

But let me ask this question. Why must we always restrict our calculated risks to the area of defence? This is the only field in which we have done it up to the present. Is it not possible that, for the sake of all concerned, we should take a calculated risk in the field of economics? We have agreed that it is essential to our security that our allies be economically strong because only if they are economically strong can our defence be strong. That follows, I suggest, as day follows night, and yet there has been so pitifully little done by this government to make our allies as economically strong as I should like to see them, and therefore there is a possibility that our defence will be correspondingly weakened.

Obviously the more prosperous nations are the more they are able to share their prosperity with those who are less fortunate, and the more secure we all shall be. Prosperity is indivisible. But a lead has been given, of which this government is aware, by a most distinguished American who, in his wisdom, saw what ought to be done. He who is now the President of the United States said a few years ago, as commander in chief of NATO, that before we embark on German rearmament the first

thing we must try to achieve is the economic and political integration of Germany with the rest of Europe. That is the course we should be pursuing, but the government has put the cart before the horse. Arms must come first. I say that policy is wrong. I say that economic co-operation with political integration must come before we do the other, if we desire security.

If article 2 has the validity which I, with faint hopes, still think it has, it is the duty and responsibility of this government to lead, to take a calculated risk in the field of economics, and I offer a suggestion. I today am speaking for myself and none other. What I say commits nobody and no other; but I offer this suggestion. If we are serious in this business of economic co-operation, we should suggest to our allies that, on a reciprocal basis over the next ten years, we are prepared to reduce our tariffs and barriers to trade 10 per cent a year. And I argue that, as a result of the enlarged markets which would ensue, all of us would be much better off than we had ever dreamed possible. Prosperity would become more of a reality than certainly it is now.

There is a risk. Certainly there is a risk, but it is a risk which would capture and hold the imagination not only of our people but of all those who are our allies and friends in Europe. It is an offer which would win acclaim, perhaps as great as Churchill's, when in the darkest days of the war he made that offer to France of which this house knows. There are those of you who may say that this suggestion is fantastically impossible. Mr. Speaker, there was nothing more impossible than that a member of this parliament should have risen in his place in this house a decade ago and said that we were going to rearm Germany within ten years. That was the impossibility of impossibilities, but it has happened. I question very much the validity of impossibility in politics anyway. As for it being fantastic, is there anything more fantastic than the threat of destruction by thermonuclear energy?

There is nothing impossible about the suggestion if we mean business. We pursue that course and we give hope to millions, we give leadership to those who are desperately seeking leadership. Unfortunately we have not yet been able to break away from the bonds of our own national sovereignties.

The government apparently prefers the calculated risk of rearming Germany before insisting on the economic and political integration of which I spoke. It may be said

that I am arguing for a European community. I am not, because I do not think a European community in itself is viable. I am arguing that we must work with Europe. Whether we like it or not, we are ineluctably bound up with Europe, so we ought to realize what the future may have in store for us.

Let me ask another question. Why is there this speed in rearming Germany? We have been told on all hands by those who are in a position to know that the international situation is such, that tension has so decreased, that we can perhaps feel a little more secure than has been the case during the last few years. Yet we intend to rearm Germany.

Now, I have no illusions about Soviet policy. We have to safeguard ourselves against the effects of Soviet policy, but I assume the same calculations are in the minds of those who say that the situation today is somewhat less tense than has been the case for some years. But why the hurry? Why the need for another 12 divisions when there are proposals before the United States congress now that there be a reduction in American forces between 300,000 and 700,000 men. Is it the idea that those 12 divisions will take the place of those Americans who will now return to their homes? Why this hurry, if other NATO nations feel that the international situation has sufficiently improved for them to reduce their own commitments? Why then the addition of another 12 divisions in Germany?

I have no means of knowing that this is so, but I read newspapers like other hon. members and I have read speculations on what happened in the last NATO meeting, where apparently those who in responsible positions suggested that the goal set in Lisbon two or three years ago was too high; that we do not need today the same level of conventional arms; and that therefore perhaps we could lower that level. If that is so, why do we ask Germany to rearm itself with conventional arms and throw another 12 divisions into the military kitty? The answer may be—this again is supposition—that the NATO staff may have decided if there is going to be another war atomic weapons will be used but merely in a tactical sense. I hope that is not true. I cannot believe it, because if they are used in a tactical sense, they are going to be used in a strategic sense. Once atomic weapons are used, thermonuclear weapons will be used, and the fields of the earth will be white with the ashes of humanity.

One can always argue, of course, that if there is going to be a war we have nothing

to worry about, for if thermonuclear weapons are to be used we shall not be here to do any worrying. Why the hurry then to have these 12 German divisions, if the situation is obviously better than it has been for some years?

The answer is American pressure. In 1950 the American chiefs of staff decided that Germany was going to be rearmed. In the fall of 1950 the NATO ministers agreed that such would be the case; and because of this, and the pusillanimity among the western allies in refusing to stand up to the United States, we now have this problem before us. Let me quote from a journal which I am certain must be the bible of all Liberals the world over, the Manchester *Guardian*, in its issue of September 23, which had this to say:

> About EDC Americans really ought to realize that it was an expedient hastily devised because the United States blackmailed its European allies in 1950.

That is why we are faced with this problem today. There is no military need for this haste, but there is imperative need for haste in the field of economic and political co-operation and that is the one area in which we have seen none. It may be argued that Europe has failed. That could be so, but I suggest that whether it has failed or not the government owes it to its own people to try once again to make economic co-operation a reality.

We are being asked to rearm Germany. We cannot be blamed if our minds sometimes dwell on history. We cannot be blamed if we have doubts that history has perhaps outlived itself. I am not one of those who would suggest for a moment that the German people are inherently warlike. I do not believe that they are. I know far too many people of German descent in this country to believe that, and I know the active part they have taken in democratic organizations. Yet if I may translate what I have to say into simple musical terms, there is the Germany of Beethoven but there is also the Germany of Wagner.

I know that there are thousands of German refugees from Hitler who have returned to their own country in an attempt to recreate and rebuild it on a democratic basis. I know that in my own city there are Jewish people who are alive today because of the valour of individual Germans and groups of Germans in helping them to escape. I know that there are tens of thousands of Germans who are buried today in Germany who were victims of Hitler's concentration camps. To suggest for a moment that you can indict a nation is extraordinary nonsense. And yet we have these questions. We know that Jews and Ukrainians and Poles in their millions were murdered by German troops. Today it may be so that the relatives and friends and countrymen of these dead, in their magnanimity, are prepared to forgive for the sake of world peace; but they are never going to forget.

I am not going to mention the revulsion which all of us felt and still feel when we remember the concentration camps of Germany, because revulsion is not a substitute for policy, and abhorrence is not an alternative to policy. But these things cannot be forgotten.

There are certain facts which we must bear in mind. There is the fact that in the past the nationalists and militarists came to power and led their people, and those people followed them except for a valiant minority. There is the probability that Germans were politically immature. That can be argued against. It can be said that here is the fallacy of *post hoc ergo propter hoc* and that such a situation does not exist today. I can only hope that such is the case, but I have no proof.

There is the undeniable fact that today in Germany nazis are in key positions in government and business. To suggest for one moment that nazis will not again get into the army is arrant rubbish. We have been told that there are millions of young Germans who oppose rearmament. Are they likely to be the ones who will enter this new army of this new reich? No. Those who are going to enter the army will be the spawn of former nazis. To suggest that the screening will be sufficiently effective to keep out the nazis is nothing but wishful thinking.

I state as a fact that the reception given Kurt Meyer was not an accident, that it is indicative of a state of mind which is perilous to all of us, even although there were many Germans who deplored it. I state as a fact that what Frau Schlitter said in London was not an accident, that she meant it.

I state as a fact that the Russian face of Germany is a reality. I agree with what my leader said yesterday about what is happening in connection with a German aircraft firm and certain interests in Spain. We can also say as a fact that there is now a Spanish face to Germany. Some German corporations in their attempt to evade the obligations of their country are doing now what they did with Russia in the 1920's.

I aver that this will be a fact, that within the predictable future the Germans will want and will get atomic reactors. I affirm as a fact that within the predictable future the Germans will want an increase in their forces and may conceivably get it. I state also as a fact that there are unscrupulous groups in Germany who will go to any lengths in an attempt to unite East Germany with the west. Then what will we do? We are told that there are safeguards, that those safeguards are in the treaty. What if the United States decide that they are going to support this war against communism and communist barbarism in eastern Europe? What then do we do? What control do we have as a matter of fact over what the United States may do, despite this talk of the Atlantic community. There is no community and this government must take its share of responsibility for that fact.

There is no one in this house who wants Germany rearmed. The only ones in Canada I can think of who want the Germans rearmed are the communists of Canada, and for obvious reasons. They know that the only country which can offer anything to Germany is the Soviet union. Russia can offer Germany a reunited country, and local communists may be looking to the day when a rearmed Germany will be joined with the Soviet union to try to dominate the world in so far as they can.

All of us have been subjected to communist pressure in the last few weeks. It is nothing new. As the hon. member for Vancouver-Kingsway (Mr. MacInnis) said the other day, there is no group in Canada which has more gall. It is those same communists who in 1939 were prepared to fight Hitlerism, who a few days later were prepared to lick the boots of Hitler's nazis, and who now again because of Russian policy are prepared to pursue the course dictated by the Kremlin.

There are some who are quite in favour of German rearmament. One has only to read the business pages of the newspapers to realize how United States steel interests are looking forward with some anticipation to German rearmament. We know that there are industrialists in the United Kingdom who feel the ferocity of German competition in the markets of the world and who want to see Germany rearmed in the hope that it will curb their power to compete. Then there are those who welcome German rearmament, those who have been so aptly termed in the past as merchants of death. Yet surely the greatest fact before the house is that there are millions of Germans today, knowing their own country as they do, knowing their own countrymen as they do, who are opposed to its being rearmed, and we are thrusting arms upon them.

[Mr. Stewart (Winnipeg North).]

There is another aspect to this calculated risk. There is an element of gamble in it and the gamble is the possibility of an old man living another two or three years, the gamble that Herr Adenauer will survive the next two or three years. I would hope that he does, but what is the alternative? Suppose he does not; what sort of government do we get then? No one knows; no one can speak with certainty. But that is far too big an X in this equation to be glossed over lightly.

I do not deny the need for generosity to a beaten opponent. Germany must be brought back within the comity of nations and as rapidly as possible, though not on Russian terms. There are some who feel that further discussion with Russia would be futile; some who feel that further discussion might be useful; some who feel, as I do, that the suggestion offered by Premier Mendès-France is worthy of consideration, namely that meetings should be held with the Soviet union in May.

But surely again the obvious fact is that if Russia was afraid of Western German rearmament she would have reached an agreement long ago. I do not believe for a moment that the Russians have any great fear about the rearmament of Western Germany. But this much I am certain of, namely that Germany will be united when Russia is ready to give them union, and not one moment before. Not all our blandishments or speeches will alter that situation.

One of the unhappy facts we must face is that when we meet the Russians we never speak the same language. We use the same words but when the Russians say "democracy" they mean tyranny; when they say "justice" they mean iniquity; and when they say "life" they mean death. That is a fact we will have to remember.

I am one of those who feel that perhaps another discussion with the Soviet union on Germany might be fruitless. Nevertheless, it is imperative that there be discussions as soon as possible with the Soviet union on other and wider matters. The time is not far off when we shall have reached what somebody called "the intolerable atomic absolute," when certain people in the United States feel that Russia has got the air power and thermonuclear power necessary in one blitz to extinguish the west. What do we do then? What happens when some trigger-happy fool shoots? It will be the death of all of us. It is imperative that we meet the Russians and we continue to meet them until we can arrive at some *modus vivendi* and *modus operandi*. But this is an interpolation.

I come back to my charge that the government has not followed the path of economic

co-operation as I am convinced it should have done, and the government is wrong in saying there is no alternative. Of course, it may be said that no matter what I say, no matter what my feelings are, and no matter what my colleagues say, Germany is going to be rearmed in any event. I believe that to be the case.

If this agreement is not approved in other countries, I am convinced that the nationalists in Germany will rearm bilaterally with the help of Washington, and if not with Washington then with Moscow. No matter what I think or do, I for one am faced with a *fait accompli*. I am faced with the choice of an armed Germany with controls or an armed Germany without controls, and I must accept the controls no matter how ineffective and inadequate I may consider them to be.

But to refer to myself again, what do I want? There can be only one answer, to my mind. I want these controls in existence if Germany must be rearmed, because I think it is essential for the welfare of all of us that they be there.

We all know what happened with EDC but I still believe we have got to go forward with this concept of integration. I did not agree with the hon. member for Prince Albert (Mr. Diefenbaker) yesterday when he paid tribute to the United Kingdom for departing from its age-old policy of not putting troops into Europe. I believe the EDC met with failure in the French assembly in large measure because of earlier British refusal to co-operate in Europe.

Too late the British again have divisions in Europe, and here, Mr. Speaker, is the supreme irony, namely that France agrees to German rearmament if the United Kingdom keeps a number of divisions in Europe to protect France against the consequences of that German rearmament. How illogical can we get? Yet I as an individual and as a member of the Canadian parliament am faced with this package deal. I am faced with a deal wherein German rearmament, which I oppose at this time, is tied in with the necessary controls on that rearmament. I am faced with the accomplished fact. I support the controls. I oppose this resolution for what is not in it, and I support it for what is in it.

Someone yesterday mentioned Scylla and Charybdis. I refuse to be devoured by one or engulfed by the other. Some perhaps may show their feelings in this matter by being absent from the house when the vote is called. I shall not be absent. I shall be in my place in the house and as a matter of deliberate policy I shall refrain from voting.

(*Translation*):

Mr. Leon Balcer (Three Rivers): Mr. Speaker, the question which we are debating today is of major importance for the western powers which, for the past ten years, have had to withstand the constant aggression of communist countries.

For the past ten years, the western powers have sought the most appropriate steps to take in order to convince Russia and her satellites to abandon their ideas of aggression.

The experience of the past few years has established without doubt that the Soviet will keep on talking of peace while threatening the world with war as long as the nations on this side of the iron curtain continue to show disunity and weakness.

That is precisely the fact which we must not lose sight of during the present debate.

The problem we are facing, as an anti-communist country, is the mustering among the western nations of the strength required to deter the communist powers from pushing forward on the road to aggression to an ultimate world conflict.

The rearmament of Germany within the framework of the western European union and its admission into the North Atlantic Treaty Organization are only means to an ultimate end: the safeguarding of world peace and the pursuit of happiness for the whole human race.

It is only natural that well-disposed people here and elsewhere do not see without some concern Germany becoming overnight a free and sovereign nation, and even an ally. It is a surprise for a great many people to learn that we are committing ourselves to defend, in case of attack, this very Germany which brought so much hardship and suffering to the world, and which has been guilty of heinous crimes against entire peoples.

Such a feeling of apprehension towards Germany should be easily understood, and we must, indeed, respect it. However, I think that the agitation that for the last few weeks has been coming from a small group of communist traitors here in Canada only shows how much confusion was thrown into the ranks of the Russians and of their varletry throughout the world by the stand taken in Paris by the western nations.

It is no doubt difficult to forgive Hitlerite Germany for all the misery she spread over the world from 1939 to 1945 and we will long harbour inevitable resentment on that score. But we must be realistic. It would be well to remember the words spoken by George Washington in his farewell message to con-

gress in 1796. He spoke words which, to this day, remain topical, with regard to the foreign policy of his country:

> Nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others should be excluded . . . The nation which indulges toward another a habitual hatred or a habitual fondness is in some degree a slave . . .

That is why I believe we must rejoice at the result of the London conference and the signature of the Paris agreements. On the eve of these historic conferences, the countries of the west were just emerging from a terrible impasse into which they had been thrown by the rejection of EDC by the French national assembly. It spelled disaster for the west, especially for American diplomacy in Europe.

Germany was again a vacuum in the very heart of Europe and we, who were preventing her from rearming, were in the obligation of defending her, in spite of herself, if she were attacked. The only alternative left was to abandon her to the Russians or to leave her in neutrality, which amounted to the same thing.

The unification of the peoples of western Europe appeared as a very distant possibility and the Soviets were already beginning to rejoice at our division. Those were indeed dark days for the governments of the free countries of the world.

Fortunately for the free world, France had at that moment the dynamic leader she had been awaiting for ten years, Mr. Mendes-France. He was able to regain the confidence of his country's allies, at a time when France was beginning to discredit herself. Thanks to him, she was able to assume her responsibilities.

England, which by keeping out of EDC would have made that pact non-viable, did not fail either to take her responsibilities. By undertaking to maintain forces in Europe for 44 years, England was able to take part in these negotiations, to direct them and to bring them to a successful conclusion. With England out of EDC, France would have been alone to bear all the odious part of the rearming of Germany. France would have been alone to face its secular enemy. The stand taken by England saved the day.

We must be practical and I think that the London and Paris conferences are happy dates in the lives of free peoples the world over.

The western European union gives back to Germany its full sovereignty and permits her to rearm, but we must not forget that that extension of the Brussels treaty of 1948 is a defensive pact and that there are in the new protocol some very sound guarantees against any intention which Germany might have of turning against its new allies.

[Mr. Balcer.]

Lastly, its admission into NATO, which, as I have said, is another defensive pact, guarantees to the countries on this side of the iron curtain an army of 500,000 men which we cannot do without. There again, NATO control of Germany's armed forces is an excellent guarantee of German intentions.

May I quote two statements that are expressive of the advantage this German rearmament may mean to the cause of peace and of the free nations.

This is what the assistant supreme commander of NATO forces, Marshal Montgomery, had to say after the Paris agreements:

> The integration of German forces into the Atlantic forces will, once these troops are trained, constitute a solid rampart against an eventual menace of aggression by the Soviets.
>
> The Paris agreements are decidedly more satisfactory than the former EDC, insofar as they leave much greater freedom of action to the allied military commander.

General Gruenther was equally categorical. He stated:

> If an organization like this had reached the same efficiency in 1939, I am inclined to think that the second world war would not have taken place. We now have to perform the great task of putting the new agreements into effect. Above all we need the full support of public opinion. I am convinced we will get its support because the 400 million people protected by NATO realize that our essential aim is to prevent a new war and the destruction of our civilization.
>
> The spirit of sincere co-operation and of trust which is so evident since the Paris conference inspires me to believe without reservation that in two or three years we will have solidly consolidated peace in Europe.

Such declarations, particularly that of General Gruenther, enable us to understand the military importance of these new agreements. I believe that every sincere Canadian will greet those agreements as a great step towards the establishment of a common purpose among our free countries in the face of the aggressive and destructive totalitarianism of the Soviet world.

There is only one way to live in peace with the Russians, and it is to show them unequivocally that their designs of world domination will never succeed.

I hope that all the members of this house will vote in favour of these agreements in order to indicate clearly that the people of Canada loathe communism, and rejoice at the evergrowing unity among the free peoples of the world.

I would like now to discuss another aspect of this question, and I must admit that there arises in my mind some doubt and apprehension.

We are called upon today to vote the admission of Western Germany into the Atlantic nations organization, of which Can-

ada is a member. I am convinced that it will be carried with the unanimous consent of the house, but I believe that this vote affords us an opportunity to review the situation, and to ask ourselves whether our government, in the international field, is not being carried away and compelling our country to play a part which is beyond its strength and means. I rather feel as if the government has an exaggerated tendency to play the part of a world power.

No doubt this country enjoys a fine reputation throughout the world. It does have very real importance in world affairs, but it must not be forgotten either that we only have 15 million people.

Canada too, whose people have a real craving for peace, must not, moreover, give the world the impression that it is a venturesome nation willing to take a hand in all wars, whenever and wherever they occur. The history of the last few years gives an opposite impression. We have unfortunately taken part in the last two world wars, and in the Korean war; we have troops within a few miles of the iron curtain; we have an armistice commission in Indo-China. In brief, we are everywhere in the world.

That is why I believe it to be important that, in this debate, the government explain clearly to us the new obligations involved in the Paris agreements and the part Canada will be called upon to play in the future by reason of these agreements.

Mr. Martin: Has not the Secretary of State for External Affairs (Mr. Pearson) clearly explained this question and that asked just now by the hon. member?

Mr. Balcer: He will never explain them enough. There still persist some doubts and I am going to voice them. I should then be very glad if it were possible to have still more explanations.

Mr. Habel: Ask our leader.

Mr. Balcer: The position of our forces in Germany was never too clearly defined, for at the end of the war, when the time came to occupy Germany, we were simply thrown out. But today we are back there, we maintain a brigade of 10,000 men a few miles from the iron curtain, and we maintain an air division in France.

But, as regards our troops in Germany, we were the only country which has had to pay its expenses. The United States, England and France had full divisions there but they were occupying powers and as such the care of their troops was borne by Germany.

It is a good thing for Canada of course not to have a reputation for stinginess, for shirking her responsibilities, but why should our country do more than others and especially more than a nation of 15 million people can afford?

When the war in Korea broke out, our country's effort was far above that of most countries in the western world.

It may be that our friendship with the United States justified such an effort. But we can ask ourselves if, compared to all the countries of the western world, such an effort was really suited to our international status.

I sincerely believe that the government shows too much enthusiasm for international ventures and that it always wants to play a prominent part. It may be that it has very good reasons for doing so, but it could give us a lot more explanations than it has given us so far.

The other night, on a C.B.C. forum, one of the most distinguished members of the press gallery, speaking on that very subject, used a phrase which gives us, I think, a very good idea of the situation. He said:

Are we getting too big for our breeches?

That is why I say that if Canada, as a member country of NATO, had to be represented at the Paris agreements on October 23 by its Secretary of State for External Affairs, some may ask why the minister had to go to the London conference. Rumours were circulated in the press to the effect that he was not even invited and had to insist in order to be able to attend.

We have, no doubt, some interests to safeguard in Europe. But if the west European representatives were in London to discuss German rearmament, they were meeting as the delegates of EDC nations. Having signed the Brussels treaty, England was considerably interested in the matter, and the United States, as leader of the western nations in the cold war, also had to attend.

But Canada had no more business to be there than Greece, for instance, which is also a member of NATO. And yet, Greece, which had much greater reason to take part than Canada, was, during the last war, invaded from both sides at once, by Italy and Germany. That country was not represented there. It is still a victim of Hitler's Germany. Moreover, on one of its frontiers it touches the iron curtain. Still, it was of the opinion that the question could be decided without its intervention. The same thing applies to the other members of NATO who, as was the case for Canada, did not have to sign the western European union agreement.

It may be that these great European countries, whose diplomatic traditions go back several centuries, could not make any decision without the advice and the knowledge of our minister. That may be but one may doubt it.

Mr. Lesage: Have you not read the papers? If you had you would not doubt it.

Mr. Balcer: It is possible to doubt. We have the right to ask ourselves whether we were then furthering the interests of our country or whether once more the government was not carried away by its megalomania.

Or whether our government, in order to gain an international prestige out of proportion with our means, does not run the risk of leading us into ventures likely to be detrimental to the economy of this country.

First of all, we must be realistic, and weigh carefully the means and needs of this country, before embarking upon too big ventures which might be very costly.

The colonial policy followed for the last ten years by England and France gives us a perfect example of that realistic view.

Realistic England, at the end of the war in 1945, granted complete independence to India and Pakistan. These peoples, following this action by England joined the commonwealth voluntarily, signed trade agreements and pledged themselves to safeguard British interests in those countries.

Great Britain had proved to be realistic and this realism had been to her advantage. But France, more sentimental, who likes repeating the sonorous phrase "France's mission in the world!", refused to act likewise in Indo-China so as not to lose any prestige. She was therefore forced to wage an impossible war in this colony, a war which deprived it of the best part of its young officer corps and shook the economy of France to its foundations for a period of eight years. Mendes-France's realism was necessary to end this conflict.

I feel that this little example should be considered by our government since, in foreign policy, especially, idealism must be replaced by realism. Here, as elsewhere, prudence is the mother of virtue. That is why I believe that the study of the Paris agreements provides our country with an opportunity of weighing its responsibilities with proper realism and of asking ourselves if our foreign policy is not such as to lead us into certain ventures beyond our strength, our obligations and our needs.

(*Text*):

Mr. B. R. Leboe (Cariboo): I am not going to make a lengthy speech this afternoon, Mr. Speaker. The reasons for supporting this resolution introduced by the Secretary of State for External Affairs (Mr. Pearson) were fully stated by our leader, the hon. member for Peace River (Mr. Low). We have given serious consideration to this problem, and in view of all the circumstances have come to the conclusion that we have no alternative.

Personally, I have come to that conclusion as a result of speaking with many of my constituents. I might say that I have had only five communications in respect to this matter; two of them from my constituency, one from Toronto, one from Vancouver and one from Ottawa. But in speaking to my constituents I have found that, without reservation, they believe there is no alternative to ratification of this agreement.

The reports coming out of the U.S.S.R. give us hope that Russian imperialism may have a difficult time in keeping its own people under subjugation. If time plays in our favour, then the decay and deterioration of the Russian dictatorship will be the largest single factor in establishing a lasting peace. Let us sincerely hope that time will be on our side.

Now, Mr. Speaker, many hon. members have expressed regret that parliament was not called to discuss this very important matter. At the conclusion of this debate, I should like the government to state clearly why the members of parliament were not called together to discuss this problem in order that they might make suggestions and give guidance in drawing up such an agreement. This would put an end to the speculation we have heard throughout the country. We have all heard speculation as to why we were not called together. Some say it was because of the by-elections; some say because of the Quebec tax situation; and others say it was because of the pressure of members of parliament. In conclusion, therefore, I request that the government state clearly and fully why parliament was not called and taken into the government's confidence.

Mr. G. D. Weaver (Churchill): It is with a large measure of hesitation, Mr. Speaker, that I ask for the floor on this occasion. The subject matter under discussion is probably as important as any with which this house

will ever be called upon to deal. It relates not only to the security of Canada, which should have top priority at any time in our deliberations, but it relates also to the security of humanity itself. I am sure that since 1947 all of us have followed with deep concern the apparent unwillingness of the Soviet union to be satisfied with living her own life within her own borders in peaceful co-existence with the rest of the world. Slowly but surely we have reluctantly found it necessary to refashion our weapons and reconstitute our armed forces.

I can recall when Sir Winston Churchill came to this continent back in 1946 and made a very famous speech at Fulton, Missouri. I can recall the feelings occasioned by the Berlin airlift. I can recall listening to the radio when President Truman declared the state of emergency in 1947. I remember during the 1949 election, when I first came to this house, NATO was the word that was on everyone's lips. At that time our Prime Minister (Mr. St. Laurent) said that the North Atlantic Treaty Organization would be the foundation of our foreign policy and our security. Later on I remember very well EDC and I am sure those words are recalled here very earnestly. All these events were steps leading slowly but surely to the erection of a defensive shield by the NATO nations of the western world. The erection of that shield was provoked only by the communist threat exemplified by Kremlin-directed action wherever on the globe defensive forces were not strong enough to discourage their forward movement.

Canada as a young country has been proud of the fact that the NATO shield was the outgrowth of an idea that had its birth in the mind of our own Prime Minister. And we are also proud of the fact that our own ministers, notably the Secretary of State for External Affairs (Mr. Pearson), the former minister of finance and the former minister of national defence had a great share in building the NATO alliance, and played a prominent part in the development of that NATO idea.

I recall here in Ottawa less than a year ago the supreme commander of the NATO forces, General Gruenther, addressing most of us in the railway committee room. He pointed out a gap in the centre of that NATO shield which was to be filled by German divisions in EDC, and everyone at that time accepted that as a matter of course.

I think I should mention here that many well-meaning Canadians, many of whom served in the last two wars, have expressed concern over the rearming of Germany. We can only look at the over-all security picture, and make our decisions on the facts as we find them at any particular moment in time. We are not gifted with second sight, and we cannot look into the future.

The honest doubters could prove to be right. And in that connection I want to read one sentence—although taken out of context, it expresses very clearly the point I have in mind—spoken by the Minister of National Health and Welfare (Mr. Martin). He said:

> On the one hand we of the democratic world dare not be naive. It would be foolish and dishonest to pretend that those who are most sceptical may not be right.

That is taken out of context, and it does not apply to this particular subject. I do suggest however that the words are applicable.

On military matters we must accept the advice of the country's military advisers. That advice together with the advice of our allies in two world wars has brought us victory and made it possible for us to reach this point in time. This country has good military advisers. We have not the manpower available that is found in Asia. Our military advisers have said that from the point of view of manpower we require integrated in our western defence the divisions that can only be supplied by West Germany. They advise—and this has been done publicly in the newspapers; it is not new—that without a rearmed West Germany, together with our weapons, our shield is not sufficiently strong to defeat a thrust from the east. That advice was given before the latest hydrogen bomb development.

The risk in not rearming West Germany is too great, and not arming West Germany would not be keeping faith with those Canadians who have died in the first two wars.

Having in mind that picture, I remember last summer the feeling of dismay I experienced when I read in the newspapers about the rejection of EDC by France. And I remember with what feelings of suppressed alarm I, as a citizen, watched from a distance while our Secretary of State for External Affairs, Great Britain's Sir Anthony Eden, Mr. Mendes-France, Mr. Adenauer and Mr. Dulles resolved their different viewpoints and hurriedly but surely evolved the solution which was to fill that gap in our NATO shield that we are ratifying today.

The things being decided here today are fateful for humanity, and it would be unthinkable for Canada to refuse ratification when France, perhaps the one country that has suffered most in our memory from an aggressive Germany, after so much heart-searching finally found within herself the strength to

rise above her fears and to agree to this important instrument. Let us hope their uncertainties are in the past.

However, this afternoon my purpose in speaking goes beyond this point. During the period of the events which I have outlined there has been a rapid change and growth in the power of atomic weapons, and I think there should be a clear distinction between atomic warfare and weapons and hydrogen or thermonuclear warfare and weapons.

I note in this agreement that hydrogen weapons are classed as atomic weapons, and rightly so, but the destructive power of hydrogen devices is so far beyond the power of what were first called atomic bombs that they should not be confused with one another. It is very important that the distinction be clearly understood.

The term "atomic weapons" should be confined to fission devices in which the nuclear power is produced by the splitting of the atom, as opposed to fusion devices, notably hydrogen or thermonuclear devices, whereby atomic power is released by a fusion of atoms brought about in the heat of the ordinary atomic bomb, which is used as a trigger. These devices are not limited as to size, as are conventional atomic weapons.

With this distinction, atomic weapons can and should be classed as conventional weapons because, terrible as they are, they are only larger concentrations of power of weapons already known and used. Thermonuclear weapons on the other hand are so far beyond this that they carry within themselves the possibility of the suicide of humanity—and I want to make that point with as much force as I ca .

To support this statement I would quote only a few lines from a speech by the Minister of National Health and Welfare when he spoke in New York last October on the question of disarmament. These are his words:

> There are reasons to believe that progress under present circumstances may be less difficult than it has been hitherto. For one thing, I think it quite possible that men in the governments principally concerned on either side of the iron curtain are beginning to fear the awful power that scientists are putting at our disposal. Certainly I am not ashamed to admit I myself find the situation most disquieting. For the stakes are incomparably higher than they were even a few years ago. I think that only those associated with governments which have some direct experience of atomic processes and direct access to classified information of technicians working in this field can be aware how serious is the threat which contamination and other effects of nuclear explosions can pose to the very existence of organic life on this planet.
>
> None of us should be ashamed, or too proud to admit that we are concerned. Humility before the awesome power which our scientists are placing in our hands is, I suggest, a becoming attitude for members of governments in any part of the world.

[Mr. Weaver.]

I want to make a very important point in connection with this protocol, in the light of what I have just read. If we show weakness anywhere, our only possible enemy has shown that he will take advantage of that weakness.

If we do not plug the hole in our NATO shield by ratifying this protocol and bringing into the western camp the necessary manpower represented by the West German divisions, we leave ourselves unprotected against the military advance of communism in the vital centre when considering only the field of manpower together with conventional atomic weapons. Communist manpower is many times greater than ours, and the only restraining factor would then be as now the hydrogen bomb which ought never to be used, but which we will surely have to use if we fail to meet our responsibilities. Man as an individual does not possess the right to take his own life. Humanity similarly should not have the right to take action that is tantamount to committing suicide. We are therefore morally obligated to do our utmost to maintain an adequate shield of conventional weapons—when I say "conventional weapons" I mean atomic weapons—integrated with available manpower against the threat of communist expansion. If we do not ratify this protocol, we are deliberately failing to meet our responsibilities not only to Canada but to humanity.

The hon. member for Winnipeg North Centre (Mr. Knowles) yesterday said something that was very true. He said:

> I believe that in this world today we are playing for time. We need it terribly. There are things that we can do if we are given the time. The Secretary of State for External Affairs, as I have already suggested, referred to the tremendous forces being made available to us as science gets down to the power of the atom with its tremendous peacetime uses. If we had the time I think mankind could yet turn this world from one of recurring wars to one of permanent peace and human accord, with a high standard of living for mankind the world over.

I agree wholeheartedly that we must have time, but the only way we can get time is by plugging that hole.

I want to say just what having time means. It is not just something simple. We cannot say we must have a little time to do some more negotiating. I was fortunate a few years ago to work as an engineer in another country, on another continent, where those whom I was supervising, or many of them, were people whose skin was of another colour than mine. I had one lad who was a good smelter man, and I would match him with any of our Canadian boys. His name was Jampie. As in this country, when somebody does a good job and there is another job open that pays a little more money you are

anxious to promote him. Just such a situation came up and I said to Jampie, "There is a job open on a converter; would you like to have it?" He looked at me and said, "No, boss, I eat porridge; I don't eat bread." His pay was 4s. 3d. a day. The job he turned down paid 5s. a day. He had thought it over carefully. The extra 9d. would not give him the necessary bread to make up the extra physical work he would have to do on the other job. When he said "porridge" he meant cornmeal porridge; that was the basis of his food.

You can take all the grain surpluses you like. You can load them on ships. You can drop them in that country out of the goodness of your heart, as many tons of grain as you wish, but that act would not put the extra bread in Jampie's stomach. In this country we have been expanding our economy at the rate of between 3 and 4 per cent a year, and that is faster than human beings have ever done it before. In Jampie's country the rate is roughly the same. It would be unrealistic to expect to expand it faster, but that is the only way you can put the extra bread in Jampie's stomach and in the stomachs of other Jampies.

It is a problem that requires patience. The process of expanding the economies of these undeveloped countries is slow, and they must do it themselves in the long run. It will not be done overnight. As the hon. member for Winnipeg North Centre said, their economies will truly and surely expand with our aid, and then the words of the hon. member will be fulfilled; but I should like to put it differently from the words he used in his paragraph. I would say I am confident that we shall have the time, and I am confident that we shall turn this world from one of recurring wars to one of permanent peace and human accord, with a high standard of living for mankind the world over.

I feel that my vote on this occasion will be only one among many that will contribute to that end. If we do ratify this protocol, if we continue to support the ministers in this house who have contributed largely to its present degree of success, then, in keeping with the motto in the personal seal of Lord Ismay, secretary general of NATO, which was affixed to this protocol, we may "have no fear."

Mr. J. W. Noseworthy (York South): Mr. Speaker, I am confident that had anyone in this house in 1945 suggested that by 1955 we should be doing what we are doing today that person would have been considered a very fit patient for a psychiatrist. Nevertheless the question before us is of great significance to every Canadian man, woman and child. In my opinion, nothing that has come before this house since the end of the war has been so important as is the question before us.

Notwithstanding the significance of the matter before us, Mr. Speaker, there is just no enthusiasm among the peoples of the world today for the ratification of this protocol, no enthusiasm except possibly on the part of those remaining members of the German military staff and on the part of those who believe that war with Russia is inevitable.

Could I believe that war with Russia is inevitable then I should certainly be supporting this protocol. War, like politics, makes very strange bedfellows, and certainly if it is inevitable that we are to get into a third world war with Russia, then it does not matter much whom we have for our allies so long as they have an abundance of thermonuclear weapons.

Although the protocol has been ratified by the assemblies of a number of the nations concerned, there has been little enthusiasm for this ratification in those assemblies. There was very little enthusiasm in the British House of Commons, where 51 per cent of the members representing both political parties refrained from voting. There was very little enthusiasm shown in the French assembly, which was induced to reverse its first vote by the threat that France would be isolated and that Germany would be rearmed with or without French aid. There appears to be very little enthusiasm in Germany itself, as is indicated by the report in this morning's press of the delay which is being caused there to the ratification of this protocol.

Certainly there is no enthusiasm across this country. A Gallup poll released by the Canadian Institute of Public Opinion on November 24, 1954, showed that 27 per cent of those who were interviewed thought that the rearming of Germany was a step toward peace, but that 43 per cent of those interviewed thought it was a step away from peace. It is true that one in four of those interviewed in that Gallup poll had no opinion on the subject; and it is true that 74 per cent of those Canadians who were interviewed had no conception of what was symbolized by the letters EDC. That, I suggest, is a reflection on the government, a reflection on the press of Canada, and to some measure a reflection on ourselves as members of parliament for failing to give to the Canadian people information on this subject which is one of vital importance to every Canadian. Certainly, I have found no evidence of any enthusiasm in my riding.

I have received, to date, well over one thousand personal appeals asking that I oppose this resolution. Those personal appeals

have come from individual trade unionists, from individual veterans and from other citizens. Some of these are people in my riding that I know to be communists, but I know the people in my riding well enough to know that hundreds of those protests came from people who are just as violently opposed to communism as any member of this House of Commons.

Why should there be any enthusiasm for this measure? Even the members of this chamber who have spoken in favour of it have shown their misgivings. Few of them have shown any great enthusiasm for the step we are taking here; the best they can do is to hope that they are right.

The objections and the misgivings of that small minority of us in this chamber who will vote against this resolution were very clearly set forth yesterday, in no uncertain terms, by the hon. member for Winnipeg North Centre (Mr. Knowles), and they were also expressed by the hon. member for Winnipeg North (Mr. Stewart) today.

Our objections were furthermore expressed by the C.C.F. leader yesterday, even though he could not in all conscience agree with us. They have been repeated by many other speakers in this house who are supporting the measure. I shall not take the time of the house to repeat some of our objections which have already been stated. As I have already indicated, I do not believe, I cannot believe in the inevitability of a third world war. I cling to the belief that such a catastrophe for the human race can be avoided, but I cannot believe that the step we are about to take can possibly achieve any purpose other than to make the avoidance of that catastrophe more difficult.

I am concerned with the possibility of the resurgence of German militarism, and I think it is only sensible to realize that by taking this step we are encouraging that resurgence. I just cannot for the life of me see how we can think otherwise. There can be no doubt that those who will control German rearmament will be members of the former German general staff. I do not think there is or can be a doubt in anyone's mind that many of those who were members of the former German general military staff during world war II will now be in charge of that rearmament.

It is only sensible to realize, as has been pointed out, that a rearmed Germany will in a short time become the predominant force among the western European nations. In this connection I should like to read one short paragraph from Lord Russell's new book, "The Scourge of the Swastika." He makes reference to the German general staff, some of whom we must remember will be in charge of German rearming, and on page 4 he gives the verdict of the international tribunal in connection with the German general staff, as follows:

> They have been responsible in large measure for the miseries and suffering that have fallen on millions of men, women, and children. They have been a disgrace to the honourable profession of arms. Without their military guidance the aggressive ambitions of Hitler and his fellow nazis would have been academic and sterile . . . they were a ruthless and military caste . . . Many of these men have made a mockery of the soldier's oath of obedience to military orders. When it suits their defence, they say they had to obey; when confronted with Hitler's brutal crimes which are shown to have been within their general knowledge, they say they disobeyed. The truth is that they actively participated in all these crimes, or sat silent and acquiescent, witnessing the commission of crimes on a scale larger and more shocking than the world has ever had the misfortune to know.

I believe, regardless of our opinion on the necessity of ratifying this protocol, that we must face the fact that a rearmed Germany will again come under the direction of those same military leaders.

If a third world war is inevitable, then the resurgence of German militarism does not much matter. It will make very little difference to any of us what general staff is in the ascendancy under those circumstances. What I am more concerned with than the resurgence of German militarism is the effect this ratification will have upon the process of negotiation with our enemy.

Three years ago we were told how vitally important EDC was. For three years we were taught that the western allies could not survive without the ratification of EDC. But for three years, without the ratification of EDC, we made what is admitted on all sides to be more progress in negotiating with our enemy than at any time since the end of world war II. Why then the haste? Why the hurry? For that period of time we have made real progress on reaching agreement through diplomacy and negotiation without having recourse to arms. Must we now take this step which, if it does anything, will in my opinion make negotiation extremely difficult?

Mr. Martin: Will the hon. member permit a question? In what field or where has this progress been made with those whom my hon. friend refers to as the enemy?

Mr. Noseworthy: I doubt if the Secretary of State for External Affairs (Mr. Pearson) has made a single speech in this house within the past year without emphasizing the fact that we have been making progress in the field of negotiation, and no one has been

louder in claiming that we must not close any door to the possibility of reaching agreement through negotiation and diplomacy.

We negotiated on Korea. We have made some progress in negotiations regarding Indo-China. We have, thanks to the good work of the Minister of National Health and Welfare (Mr. Martin), made some progress toward convening another conference on disarmament; and, if we accept press reports, we are now on the point of negotiating a cease-fire on Formosa.

We have been making progress, Mr. Speaker, and to my mind the most important question concerning the ratification of this protocol is the effect it will have on the negotiations in future. Will it hamper or improve our chances of settling disagreements with Russia through negotiation? If I could be as certain as is the Secretary of State for External Affairs that it will open the way to easier negotiation, then I would have no hesitation in voting in favour of ratification. But for the life of me I cannot see how this is going to make it easier for our negotiators to reach agreement on the many international problems confronting us at the present time.

Most of all, I am concerned with the effect the ratification of this protocol will have upon the outcome of that conference which has been initiated through the good work of our delegation at the United Nations under the leadership of the Minister of National Health and Welfare.

All Canada was proud of our achievement at the United Nations. All Canadians rejoiced that our own delegates and one of our own ministers was able to do what the United Nations has been trying to do for many years, namely, get unanimous agreement on the possibility of another meeting on disarmament.

We have the communists with us, Mr. Speaker, and we are going to have to live with them. If we are to avoid a third world war we must, as the Secretary of State for External Affairs told us yesterday, find some way of reaching an agreement on an effective disarmament program. Just so long as east and west continue to pile up armaments of every known nature, just so much greater becomes the danger of someone somewhere sparking a third world war. Unless we want a third world war we must find some way of reaching an agreement on an effective disarmament program.

As I have already indicated, it appeared that we were making some progress. I am most concerned with what effect this will have on our meeting with Russia in a disarmament conference after and not before we have rearmed Germany.

One effect of this protocol is certain. Both east and west will acquire more arms. Both east and west will strengthen their military forces. One result is sure, whatever else may be in doubt. We will be adding to our forces in the west, and we have no reason in the world to suspect that Russia on the other hand will not offset any military balance which may be created by the rearming of Germany by further rearming of the forces of the Soviet and her satellites.

There is another question. At the end of world war II I participated in a conference of the Canadian teachers' federation. As educators we were then concerned with the fact that there was in Germany a whole generation of German youth who had absorbed the philosophy of nazism. I well recall the concern of the Canadian teachers' federation and the world federation of teachers over what steps should be taken to try to eradicate from the minds of that generation of German youth some of the things they had learned under Hitler, and how we could possibly educate in Germany a generation of youth who would have some conception of the ideals and philosophy of democracy.

There have been a great many democratic leaders in Germany since then whose chief concern has been to train a generation of German youth with some conception of the ideals of democracy; to get them away, to enable them to forget the lessons they had learned under Hitler. Under this protocol we rearm Germany and we shall place these very youth, with whom democratic leaders have been struggling for the past eight or ten years, under the military leadership of at least some of the men who led the German forces in world war II. That, I think, is a matter which we should consider seriously.

The government, with the support of the majority in the house, will obviously ratify the protocol. I can only hope that history will show I am wrong and those who support the protocol are right. But I must be guided personally by my own conscience, and I can follow no other course than to take issue with the Secretary of State for External Affairs, for whom I have the very highest regard, take issue with my own leader, for whom I also have the very highest regard, vote against the measure, and leave my constituents to be the judge of my actions.

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I had not intended to say anything in this debate. I did not feel that I had any particular competence in the matter now before the house. However, I think the speech made by the

hon. member who has just taken his seat does justify a modest intervention on my part.

I should like to say first of all, as he has just said, that whatever the differences each of us may have in our various points of view we all respect the points of view of other hon. members on a matter of such great importance, and certainly nothing I shall say is to be taken as a reflection on what the hon. member has said, on what any of his colleagues have said or may say, or in any way a reflection on any other member of the house.

But I do think the hon. member is in error when he suggests that there is no enthusiasm in this country for this particular proposition. I am sure the word "enthusiasm" in this context should be defined. No one, for example, has any enthusiasm for the payment of income taxes, but our people recognize that if we are going to discharge the responsibilities of government at the present time taxes have to be paid, and in that sense there is "enthusiasm" on the part of the Canadian people for this particular obligation. Surely there is enthusiasm on the part of the people of Canada for the maintenance of peace and freedom in the world. Surely those of us who believe that peace and freedom can best be maintained at this time through this particular proposal will find it possible to justify the stand we are taking on this momentous question.

I have said that, within the context of my understanding of the word "enthusiasm", I believe there is a strong conviction, soberly arrived at, if you will, on the part of the people of the country that, having in mind the realities, there is no alternative for those of us who want to preserve what the west stands for other than to take every legitimate opportunity to align ourselves now with that potentially mighty nation that has always played such an important part in the history of Europe and of the world.

There is one group in our country, of course, that does not like this particular resolution, and I am not suggesting in any way that the hon. member or any other hon. member of the house is directly, willingly or unwillingly a party to the points of view of this group. I have noted in the Canadian *Tribune* that on December 10 the national committee of the labour progressive party met in Toronto at which time, according to this paper, the leader of the labour progressive party, Mr. Tim Buck, issued a call to all L.P.P. members for country-wide action against ratification of the London and Paris agreements. I learned, furthermore, that a detailed directive was later issued by that party setting out with considerable care the manner in which the campaign against ratification was to be organized. I am sure that all of us in the house have already felt the effects of this particular way of impressing us with the extent to which there is no enthusiasm in the country for the decision that most of us in the house think has to be taken with regard to this matter. I have had placed in my hands through a responsible source a copy of the particular directive to which I have just made reference, and here it is:

> Every section of the party should be activized in this campaign. All possible initiative should be developed in neighbourhood activities. Members of parliament should be visited by deputations in their constituencies.
>
> The idea should be raised of a great national delegation to Ottawa at the opening of parliament, if necessary.
>
> That petitions of a local character be taken up by individuals. We should have small, and preferably handwritten petitions organized in such organizations as the Y's, trade unions, shops, and neighbourhoods. Every comrade can write out a short petition and take it to his or her neighbours, getting 10, 15 or 20 signatures and then forward it to their M.P.
>
> No single petition is being issued at this time in order to avoid the difficulty generally encountered of people refusing to sign a petition because it might associate them with the left.

Now, Mr. Speaker, I would suggest that if there is no enthusiasm on the part of the people of Canada, it could be because this directive has already been acted upon. But we are not unfamiliar with this technique, and none of us in this house is going to be in any way influenced except, as the hon. member who has just spoken has said, by the dictates of his or her own conscience.

I feel that the majority of the people in this country, in the exercise of what their conscience suggests and having in mind the great stakes involved as well as the challenge of the ideology which since the end of the first war has faced the free world, will recognize that, great as are the difficulties and so-called risks involved, it is our duty at this time to let the people of Germany know that the integrity of that nation and the preservation of the freedom of the world rests with the west and not with the east.

It seems to me that is the positive feeling which I, for one, would want the people of that nation to realize at this time. We want them to feel that, notwithstanding the justification of the judgment of history against the atrocities of another regime in that country, we would hope that in this interdependent

world we could march with them in the future toward the building up of a fabric of peace and not of human destruction, to which admittedly they have made their contribution in the past.

A moment ago the hon. member referred to the work of the Canadian delegation at the recent general assembly of the United Nations. What we should do, he said, is to work for disarmament. We should seek to channel the resources of the world, now being deployed into the building up of machines of war for destructive purposes, into channels for constructive purposes for the good of mankind. The hon. member said that should be the purpose of this government's policy and should be the attitude of this parliament and of this nation.

I am sure that upon reflection he would admit that that is the purpose behind the policy of this government, that that is the purpose behind the policy of the governments of the United States and the United Kingdom. I feel it is necessary that we should declare here and now, as the Prime Minister (Mr. St. Laurent) did when he spoke in New Delhi, that we do not for one moment subscribe to the view that either our own policies or the policies of our great neighbour have any other purpose than to bring about peace among the nations of the world.

I went to the meeting of the United Nations to assist my colleague the Secretary of State for External Affairs, who realized that certain matters would take him to Europe on at least two occasions during the course of the autumn. During the first week of the ninth assembly of the United Nations I was able to confer with him on the purposes that should guide our point of view in respect of the various questions that were to be discussed at the United Nations. Naturally as a member of the government I knew of the difficulties that besieged the North Atlantic community in Europe, and the part that Canada would be expected to take at those important conferences in London and Paris.

My colleague left the United Nations before a speech was made by the permanent delegate of the Soviet union, the late Andrei Vishinsky, on September 30. This was one of the most important speeches made by the late Mr. Vishinsky at the United Nations, for it announced the abandonment of the traditional attitude taken by the Soviet union on disarmament. In effect he said that from now on they would no longer insist first upon an agreement to ban the use of atomic weapons as a condition precedent to disarmament in conventional weapons. That represented a very important declaration. I at once communicated with the Secretary of State for External Affairs and pointed out to him the nature of this declaration by Mr. Vishinsky. He replied that we should immediately take every advantage of this situation, even to the point of taking the initiative to see if we could not take some forward step on this question at the United Nations.

Those who criticize the proposal now before us as one that is contrary to the peaceful purposes to which this country is dedicated ought, therefore, to bear in mind that while my colleague was taking a particular step in London and later in Paris, it was as a result of his instructions, and I might say his inspiration, that we decided to take the initiative at the United Nations to see whether or not the time had arrived when we could count upon the support of the Soviet union to take solid steps toward a program of disarmament.

Mr. Macdonnell: Will the minister permit a question? Would the minister agree that the steps we are asked to take now are the logical and inevitable result of our voting for NATO?

Mr. Martin: I do not think there can be any doubt about that. Now, because of the remarks made by the hon. member who took his seat a few minutes ago, I want to recall certain steps that we have taken. To make this particular question more understandable to hon. members, I may remind them that two years ago the United Nations set up a disarmament commission. It surely is the function and responsibility of the United Nations to do what it can to ease the burden of armaments.

Last June my colleague the Secretary of State for External Affairs had taken steps along with M. Jules Moch of France, Mr. Selwyn Lloyd of the United Kingdom and Mr. Patterson of the United States, in discussions in London, to see whether or not it would be possible to give new life to the cause of disarmament through renewed meetings of the subcommittee of the disarmament commission that had been set up for that purpose. Out of those discussions in June came a notable document known as the Anglo-French memorandum, which provided a formula for disarmament. This formula was subscribed to by the United Kingdom, France, Canada and the United States, but was opposed by the Soviet union, represented at that time by Mr. Jacob Malik.

The speech made by Mr. Vishinsky on September 30, therefore, came as a most heartening bit of news to the world, and

particularly to those who had followed these discussions. They argued that even at this seemingly most illogical time we might bring about an easing of the burden of armaments. So we decided in Canada—that is, our Canadian delegation—to put forth a resolution urging the reconvening of the subcommittee that had met in London in order that the discussions that had ended there so abruptly, because of the attitude of the Soviet union, might be resumed. And in view of the speech made by Mr. Vishinsky we thought we were perfectly justified in putting forward this proposal.

As an earnest of our intention we took the unusual step of circulating to the United Kingdom, to France, to the United States and also to the Soviet union an advance copy of the resolution we proposed to introduce the next day, together with a letter addressed to the permanent delegate of each of these countries. I was given the assurance at once by the three countries of the west that we could count fully on their sponsorship of the resolution we intended formally to lay on the table the next day, and Mr. Vishinsky himself called me to say he greatly appreciated this act of courtesy, that his country was anxious to give consideration to the implications of our resolution, and that while he could not say more at that moment, certainly he would look on the matter with the greatest interest and sympathy.

Mr. MacInnis: Would the minister allow a question? I believe it is a very important one. Was this statement by Mr. Vishinsky, and also the speech, made after or before the London-Paris agreements were decided upon?

Mr. Martin: It was concurrent. The London agreements had not been completed. The London conference was actually in session when his speech was made.

The following day we presented our resolution, which was a procedural one. I do not wish to read into it anything more than it contained, but it seems to me that disarmament has the quality of procedure in it, and that perhaps on that account I should neither underestimate the value of our proposal nor should I overestimate its significance. But at once the countries of the west gave their support and their agreement to sponsor the resolution. We were eager that there should be sponsorship of it by the Soviet union.

After the conclusion of the first session of our meetings, and after we had tabled our resolution, we had a meeting with the three other sponsors of our proposal. At that time it had ceased to be a resolution standing in the name of Canada but became one carrying the sponsorship of the United States, Great Britain and France. Canada took the position that we should seek sponsorship of this resolution by the Soviet union as well, and I may say that the representatives of the other three countries readily concurred. The question then arose as to what contact should be made with the Soviet union to see what modifications were necessary in order to bring about unanimous sponsorship. Canada was designated by her three colleague countries as the liaison between the four nations and the spokesman for the Soviet union, Mr. Vishinsky.

At this point I want to pay tribute to the personnel in the Department of External Affairs.

Mr. Pearson: Hear, hear.

Mr. Martin: I refer to the three gentlemen who accompanied me in my conversations with Mr. Vishinsky. I can say that whatever credit there may be for what was done should go, in large measure, to them for their advice and their help, as well as their great industry.

But the fact is that after a series of meetings we were able to arrive at an understanding—the United States, Great Britain, Canada and France on the one hand, with the Soviet union on the other. I think I may say my impression is that we were able to arrive at an understanding with the Soviet union because by this time the masters of the Kremlin had come to the conclusion that they were negotiating with an area of the world that had become strong.

I am sure the Soviet union respects strength. I am sure we are now in a better position to carry out the proposals for the peaceful use of atomic energy because of our armed strength. I am not saying we will succeed in the matter of disarmament, but certainly we are in a better position to move ahead because of the contribution the western nations have made since 1947 in the building up of the North Atlantic Treaty Organization.

And so in any consideration of this matter of disarmament, and the part we played at the United Nations, it would be quite wrong for anyone to contrast what we sought to do there with what my colleague, the Secretary of State for External Affairs, was able to accomplish in London and Paris. In passing I may say that his speech yesterday certainly did not reveal the very considerable part which he personally played in the successful outcome of the meetings in London and elsewhere during the past few months.

It would be wrong to say that because we were trying to bring about disarmament we were acting in a way that was contrary to what was being done in London, and later in

Paris. The fact is that I really do hope the steps taken by us last fall at the United Nations will mature into successful results. At the last meeting in which he took part at the United Nations Mr. Vishinsky, who acted as chairman of the disarmament committee of the United Nations, formally set in motion the operations of the subcommittee. When the meeting was over—and this was only a few days before his death—I happened to pass him and I said, "I really hope we mean business, all of us, this time."

I do not know whether all of us mean business or not; but I can say this—and I say it to the hon. member for York South—that we did our best at the United Nations to promote disarmament, just as in London my colleague the Secretary of State for External Affairs did his best, along with others from the west, to bring about guarantees for increased unity among the western powers.

We did nothing that could be construed as an abandonment of the main safeguards which the western powers consider essential for effective control. We made it clear in our discussion that we wanted to argue from a position of strength. If the world before the advent of Hitler had been strong enough, not to resist by aggressive action but by way of defensive measures, it is conceivable that the mad dream of Hitler's war would never have taken place. There was no change in this policy because of our efforts towards disarmament, nor was there any change in the resolution of all of us which would have the effect of weakening the unity of the west. Certainly the United States, Great Britain, France and Canada, who took the leading part in these discussions at the United Nations, did not in any way by that step indicate, or intend to indicate, that we were prepared to abandon the defensive strength that had been built up during the years since the end of the war.

Our policy in Canada, and I am sure the policy of our co-sponsoring western nations, has always been to consider the issue and the time. The Canadian government has always believed that our objective in building up strength for our survival is to attain a position from which successful serious negotiations can begin. As the Prime Minister has said, everything we have done in NATO, at the United Nations or elsewhere has been in an effort to prevent another war.

Now in asking this house to support this resolution we recognize the implications; we recognize the force of the irritations that are recorded in the pages of contemporary history; but at the same time we cannot blind ourselves to the fact that in Germany there is a powerful group of people potentially capable of doing good as well as of doing evil. Whether or not we bring Germany into the North Atlantic community the day will come when that nation will again enjoy its sovereign position, a circumstance which may come about perhaps by action on its own part or by bilateral arrangements made with the strongest power in the west. Therefore what we are now doing is not only to guarantee our own strength vis-à-vis a potential aggressor. At the same time we are giving evidence to the people of Germany itself of our desire to share a peaceful life and a peaceful world with them.

The Canadian government has pursued a seemingly illogical course at London and at Paris, but on examination a course that I am sure commends itself to this house and to the people of this country. By our acts at the United Nations we have demonstrated, along with our colleague nations, that we have no warlike intentions, that we would like to see the resources of our country and of the western world employed for more constructive purposes than the building of instruments for human destruction.

I said on two occasions at the United Nations, once during the disarmament debate and once on Mr. Lodge's proposal for the peaceful uses of atomic energy, that as Minister of National Health and Welfare in Canada I could be expected to have a special appreciation of the moves we were making. I share with every hon. member the hope that the day will come when we will be able to transfer to more humanitarian ends the great resources our people have put at our disposal for the purpose of building up defensive alliances against aggression; that we will be able to use these resources to improve the health and welfare of the people of this country and make additional contributions in these fields to the other peoples of the world. I look forward to that day, and so do the people of Canada. But if that day is not at hand it is not the fault of this nation, it is not the fault of the nations of the west; it is because the policy of the Soviet union, pursued over these years, stands in the way and jeopardizes all that we treasure most. I believe the resolution moved yesterday by the Secretary of State for External Affairs (Mr. Pearson) is constructive, is directed toward strengthening our position and thereby making us more respected and a stronger figure at the bargaining table. In a practical way this may do more than anything else to create in our world at this time an era of security, freedom and peace.

Mr. Noseworthy: May I ask the minister a question? Does the minister agree that the unanimous agreement to his resolution at the United Nations indicates that there is a lessening of tension between east and west.

Mr. Martin: Well, I can only give my own personal view of the situation. Obviously there is a greater absence of conflict at the present time, but my opinion on a matter of this sort is not of any great value. What I have sought to say is this. If there is an easing of tension—and I personally believe there is—it is because the western world had made itself stronger than it was before.

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, we are now dealing with a subject that is of critical importance in international affairs. There has been no discussion since the war of greater interest to the Canadian people than this one which deals with Germany. The attention focused on this subject by parliament has been impressive. It is under circumstances such as these that parliament fulfils its great function as a forum in which direction and guidance may be given to the Canadian people. It serves to give opportunity to those who wish to present differing points of view. Here is the place where all the facts may be disclosed, all the evidence examined, and false propaganda exposed and discredited.

It is my intention to support the resolution, for reasons which I shall presently state. If I do not show the great enthusiasm that some seem to think hon. members who support the resolution should show, and have expressed surprise in that regard, on the other hand I doubt whether I shall present very many reservations.

At this stage I should like to commend the minister on his statement yesterday. I think it was well done, though incomplete in some respects. Having commended him, and others have quite properly complimented him—to set the proper balance I should now proceed to offer a little criticism, not in any partisan spirit, for the subject is above party considerations, but because I have been dissatisfied for the last 20 years with the conduct of our external affairs.

My dissatisfaction goes back to the period before the second world war when we faced a crisis in international affairs just as momentous as the present period of uneasy peace. In those years I looked to the government of the day for information and direction, and was sadly disappointed. I have had no reason to change my opinion since that time. The official Canadian attitude to foreign affairs has all too frequently been characterized by unwillingness to disclose any information until pressed to do so; to ask for parliamentary approval long after agreements and protocols have been signed; to encourage a so-called bipartisan attitude without prior consultation with the opposition, and to avoid discussion at home and commitments abroad wherever possible.

I remember the late Mr. Gordon Graydon drew attention a few years ago to the small amount of time given by parliament to the discussion of external affairs. Some slight improvement has occurred of late, but more is desirable. Competent as the minister is in his special field, he nevertheless has fallen into error on this occasion due, in my opinion, to long years of conditioning in the bad practices I have mentioned. I shall not blame him for the failure to summon parliament in the fall; that responsibility lies elsewhere. But I do place the blame on him, as did the hon. member for York-Humber (Miss Aitken), and on his department for failure to appreciate the necessity of preparing the Canadian people for this measure which is of such historic importance. He has been outmanoeuvred and outwitted by the communists. We are now gathering the fruits of this method of conducting our external affairs.

During the past six weeks members of parliament have been deluged with letters, telegrams and other communications, chiefly but not entirely from communist-inspired groups across this country. The communists have had the best opportunity in years to mislead the Canadian people. Skilful communist propaganda has succeeded in creating in the public mind the opinion that the only issue at stake is the rearming of Germany. Taken completely out of its context and background the rearming of Germany would alarm almost anyone, but considered in relation to the whole sphere of international affairs it is a very small part indeed.

In the four months which have elapsed since the London conference, in the almost three months that have gone by since the signing of this protocol by Canada's representative, no effective information from a government source has gone out to the people of Canada. No official statements or documents were placed in the hands of members of parliament. Even now with parliament assembled the supporting documents have been tabled with diffidence; they have been reproduced in *Hansard* or in *Votes and Proceedings* only upon request, and are incomplete. Consider the resolution now before us. It states:

> That it is expedient that the houses of parliament do approve the protocol to the North Atlantic treaty on the accession of the Federal Republic of Germany, signed by Canada at Paris on October 23, 1954, and that this house do approve the same.

In the British House of Commons the motion dealing with the same subject was expressed as follows, and I quote:

That this house approves the policy of Her Majesty's government towards western Europe as expressed in the agreement reached in London on 3rd October 1954 and in Paris on 23rd October, 1954.

I think the motion before us should have included some reference to those conferences. Technically, of course, it is correct. The admittance of Germany to NATO requires the approval of our parliament. Canada is not a member of the western European union, as is Britain. Nevertheless the admittance of Germany to NATO is merely the final step in a whole series, and would not have been considered without the other arrangements between Germany and western European nations. Furthermore, Canada was represented at the London conference and played a full part in the deliberations. Obviously, I think, parliament should have been asked to approve or disapprove of the government's policy as expressed in the agreement reached at London. All we are asked to do is to approve of Germany's admittance to NATO. I give this as an example of the method used for many years past to play down or gloss over matters that concern Canada's international relations.

Then just consider the documents that have been tabled. Instead of putting in our hands a white paper, which would have included the proceedings of the London conference and Paris conference, instead of giving us all that information, what happens? The minister tables what is actually a special supplement to a NATO letter which is undated. This gives practically all the information as to the Paris conference, but omits one very important matter which I shall mention in a moment. Several days later on request a reprint was tabled from the magazine *External Affairs* purporting to be a report of the final act of the London conference.

On request the protocol was printed in *Hansard*. Again on request the proceedings of the Paris conference were printed in *Votes and Proceedings*. The proceedings of the London conference remain simply as a sessional paper. I think following the British custom that documents of such importance, particularly in relation to a matter of this nature, should have been incorporated in a white paper and given to members of parliament as early in the session as possible. I do not understand the operations of the Department of External Affairs in tabling documents of that nature when the other method is available.

Then I say that they are not complete. One of the first questions I wanted answered when I came down here was the actual contribution required of Germany by NATO. What are the figures? People who interviewed me talked about the contribution in rather large figures. I did not know. I did not have the actual authentic information. Nowhere in the documents tabled by the minister is that information to be found. The minister disclosed it yesterday in the course of his speech. In the British white paper dealing with the Paris conference I find a subnote mentioning twelve German divisions, 1,350 aircraft, and naval vessels.

Similarly with regard to the London conference, the documents tabled in this house are not complete because they omit the text of the three statements made by the representative of the United States, the representative of Great Britain and our own minister of external affairs. I think those three statements should have been included in the documents tabled in the House of Commons here.

Having said that, I think the minister can now relax. I trust that he will profit by my suggestions for the improvement of the administration of his department. I would not have taken the time of the house to mention these matters had it not been for the great historic importance of this step that we are considering. We should have all the information that is available to us as members of parliament upon whom rests the responsibility of making decisions, in order that we may answer effectively those who write to us or send us telegrams or come to see us.

I just want to say a word with regard to what the hon. member for Winnipeg North Centre (Mr. Knowles) said last night. He was later supported by the hon. member for Winnipeg North (Mr. Stewart), so perhaps the other point of view from that city may be presented. The hon. member for Winnipeg North Centre expressed the fear that with Germany making a military contribution to NATO and being given the right to rearm, very soon Germany would dominate the councils of NATO. I cannot follow my hon. friend in that reasoning when there are actually 14 nations involved, and when the dominating powers are surely the United States and the United Kingdom.

Then my hon. friend mentioned the necessity of removing the causes of war. I quite agree with the hon. member that the problem of removing the causes of war is of profound importance. That is a problem that has engaged my attention ever since the end of the last world war, and I have given it more attention than anything else. But the hon. member suggested that poverty was one of the prime causes of war. I shall give his

exact words, so we may be quite clear about them, as reported at page 397 of *Hansard* for January 20:

> Given the time I think we can remove some of the causes of the world's ills. We can change the picture so that instead of two-thirds of the world's people going to bed hungry tonight, as they do every night of their lives, there might be some sharing of the food and good things that we can produce.

I agree with the hon. member that everywhere in this world want should be removed. But I cannot agree that want is a major cause of war, as he implied in his statement. That expression is rather widely used, and people frequently say that if poverty were removed the danger of world war would be lessened. I do not know to what extent it would be lessened, though I agree with the necessity for removing poverty throughout the world.

However, I doubt if any evidence can be produced that any of the great wars of history occurred because people were short of food. It will be a long time before I am convinced that we are in any danger of a third world war because of any action that might be taken by a half-starved peasant in the wilds of Siberia, or a starving population somewhere else in the world. The decision with regard to a third world war or a war on a world scale rests with a few singularly well fed men in the Kremlin.

To digress for a moment, I believe the causes of war should be examined by this house on some occasion. We had a debate two years ago when we touched on that subject, but it should be further examined in order that we may be better informed. I take one of the prime causes of war to be anarchy, that lack of control among the nations of the world which leads to unrest. Each nation is sovereign in its own right and makes its own decision with regard to declaring war on its neighbour.

If we deal with that possibility I believe one of the prime causes of war will be removed. In this regard I believe it is in NATO that the most effective step has been taken to that end. The nations grouped in the North Atlantic Treaty Organization have come closer together than at any time in the history of the world, and gone farther toward solving that problem. They have become so closely integrated that there is not the slightest possibility of any one of those nations declaring war or committing an act of aggression against another member of that group. The hope of the world is that some such system as that can become more widespread. It is in that connection that I look at the problem of Germany. I have not concentrated my attention on the rearmament of Germany. For me that has been a secondary consideration. It is the problem of bringing Germany into the council of the western nations that impresses me most as it does others who have looked at this picture very closely.

It is a really astonishing step forward to realize that a former enemy—and a bitter enemy at that—is now going to unite with us and sit down at the same council table. When has Germany ever sat down peacefully with the representatives of the western nations with the intention of co-operating with them to maintain peace and security? Not in our lifetime, except perhaps during the short interval of the Weimar republic. Not for 80 years have we had the opportunity of getting close to Germany. Not in fact, since the time of Bismarck. Yet I cannot help but recall that earlier in our history the Germans were well thought of and even admired by some. We have only to recall the battle of Waterloo, when Wellington saw with pleasure and delight the arrival of German troops under Blucher.

I have no reason to like the German people as a result of the experiences I have gone through. I have nothing but scorn for Prussian officers, nazis, and arrogant German militarists. But I do not believe for one moment that all the people of Germany can be put into that category. I believe it is a bit difficult for us to blame anyone in Germany under the age of 30 for any of the atrocities committed during the war.

We have suffered severely at the hands of Germans. Indeed, is there a family in Canada that has not suffered? Nevertheless, has not every family in Germany also suffered? Once you engage in war it is difficult to draw the line between the opposing sides. I make no excuse for the frightful atrocities committed by the nazis in their concentration camps and other places of torture. I make no excuse for the atrocities committed on the battlefield. But in all fairness we must recognize that the German nation too has suffered. That nation has learned a bitter lesson in two world wars.

We have said of France that she would have been a great and powerful nation in our time had she not been bled white during the first world war. We have time and again lamented the loss of the flower of British manhood in the first great war. Is it not therefore likely that Germany for the next 50 years will be lamenting the loss of the flower of German manhood in the second world war? I believe there are perhaps as many widows and orphans in Germany as in any other country in the world.

The suffering therefore has not been solely on one side. We might say that they brought

it upon themselves. But we know that under our own democratic system of government decisions are made to which everyone cannot agree, and we have to go along with those decisions. Decisions were made by German nazi leaders which inflicted serious loss and injury on the entire German people.

For those reasons I am not quite certain there will be the resurgence of German militarism which bothers some people. There may be a reaction against German militarism for a long time to come. But even if there is a resurgence of German militarism I believe the present controls are effective. I do not propose covering those controls again, for they have already been dealt with, and I agree with statements made in this regard by the hon. members for Prince Albert (Mr. Diefenbaker) and Esquimalt-Saanich (Mr. Pearkes), and the Secretary of State for External Affairs.

Well, that is the situation. If we examine history we see that over long periods of years there have been antagonisms between nations, 300 years of it between Britain and France, a very long period between Canada and the United States. It is practically within living memory that the antagonism and fear of Canada of the United States has been dissipated. We are aware of the antagonism between France and Germany ever since 1870. But what is the situation now? Surely this is one of the greatest forward steps in the history of the world. France and Germany, bitter, mortal enemies in so far as we have known their history in recent times, have now agreed to come together. It is something we could not have expected or foreseen.

That is not all. The United States of America, on whom we pinned our hopes during that difficult period in the 1920's and 1930's when the league of nations was formed and then had trouble, has altered its age-old policy with respect to international commitments. One of the reasons I suggested to the minister that Mr. Dulles' speech at the London conference should have been printed in our records was this sentence that caught my attention. He said:

> The North Atlantic treaty was an engagement which was quite unprecedented for the United States—it was quite unprecedented for the United States to make that kind of long-range alliance with other countries. That was directly contrary to our earlier policies which had been pursued for over 100 years.

Yet we are living in an age when the United States has changed that policy, is taking an active part in international affairs, is stationing her forces overseas, and has been carrying on shoulder to shoulder with us ever since she entered world war II.

Then consider, as the hon. member for Prince Albert (Mr. Diefenbaker) characterized it the other day, that courageous step by Great Britain. We know from the history of Great Britain that her policy was to have no commitments on the continent of Europe in the way of stationing troops there in any permanent sense; yet look at what has happened now. I think this was the great and decisive action of the London conference, the offer by Sir Anthony Eden that British troops would remain on the continent and would not be withdrawn unless under the most difficult and unexpected circumstances. Sir Anthony Eden, in the course of his statement at that conference, said this:

> My colleagues will realize that what I have announced—

He was referring to the announcement that British troops would remain in Europe.

> —is for us a very formidable step to take. You will know that ours is above all an island story. We are still an island people in thought and tradition, whatever the modern facts of weapons and strategy may compel. And it has been not without considerable reflection that the government which I represent here has decided that this statement could be made to you this afternoon.

That is leadership of a high order. I had hoped that Canada might have made as forthright a statement with regard to her forces in Europe as is implied in the commitment of Great Britain and the statement by Mr. Dulles. My hope is that nevertheless we shall remain solidly with Great Britain and the United States in this great commitment overseas. That, to me, has overshadowed this so-called rearming of Germany. Here we have the leading democratic nations in the world linked more closely together than ever before in their history, changing their centuries-old methods of dealing with foreign countries, the United States reversing a policy maintained for over 100 years, Great Britain reversing a policy maintained during all of her history in modern times, and both united with us and other countries in that great organization, NATO.

To bring Germany into that organization under these conditions, to forget some of the injuries of the past, to attempt to hold out the hand of friendship to Germany and to expect in return the hand of friendship from Germany—surely that is a great forward step in international relations. That is why I said at the beginning that I propose to support the motion now before us, and I support it with minor reservations. I was going to say without any reservations whatsoever, but they are extraordinarily minor because, as I see the picture, it is one of the most important steps that have been taken in the history of the world since the formation of NATO.

I recall those words of Sir Winston Churchill contained in his history of the second world war. You remember them: In war, resolution; in defeat, defiance; in victory, magnanimity; in peace, good will.

This is a period when we can show magnanimity to Germany and greet her in the company of the NATO nations with good will.

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, like most other speakers who have taken part in the debate I want to deal mainly with the military aspects of these agreements, and especially with the problem of rearming Germany; because that seems to be the part of the agreements that has caused the most worry and upset among many people throughout the country.

Since it was indicated that it was intended to bring this matter before the house I have received dozens of letters and cards not only from people in my own riding but from all over Canada protesting against the acceptance of these agreements. Granted that many of them came from communists and fellow travellers, nevertheless a good many of them, probably the majority, came from people who are good, honest, sincere citizens and who are motivated only by the deepest concern as to what the result may be.

I share that concern. I am greatly concerned about what may happen with respect to the rearming of Germany. My memory is not so short but what I can look back to the five years I spent fighting these same Germans. I have not forgotten the good friends whom I lost during that war. Nor have I forgotten the cries of men who were wounded, hurt, dying or drowning. I have not forgotten the sound of the whistle of German bullets nor the whistle of their bombs. I can still remember vividly the white wake of their torpedoes and the dull boom as they struck merchant ships. More than that, I can remember the hours I spent digging in the rubble, with my hands bleeding, trying to get civilian survivors out of the bomb ruins in London. I can remember an overturned lifeboat floating on the water, riddled with machine gun bullets. These things are not easy to forget. When we recall that we have gone through this ordeal twice in one lifetime, it makes it doubly hard to forget.

I am not too sure how far Germany can be trusted. I am not too sure how far her leaders can be trusted. But let us remember this, that not too many years ago practically every nation which is a signatory to the Paris agreement was an aggressor nation. This is true of Great Britain and France and all of them. Gradually these nations have developed beyond this idea of using aggression to become a world power. Gradually they have become more and more willing to co-operate with the other nations of the world. I am hoping events will prove that Germany has reached that point and will co-operate fully with the western nations.

As I said, I am not too sure how far we can trust Germany. However, we know we cannot trust the communists. For years their leaders have been telling us that their ultimate aim is world domination and nothing less will suffice. They have even explained the ways and means by which they are going to attain this end, as the hon. member for Peace River (Mr. Low) put on the record yesterday. Let us not forget, too, that Germany is split in half. One half of Germany is already armed and ready to take part in any move against the western nations. If we cannot trust West Germany, then we cannot trust East Germany any further; and we already have East Germany on the wrong side of the fence, fully armed and ready to go. They are being pushed by the communist forces stationed there.

We have the safeguards laid down in the agreements. I do not know whether they are adequate. After reading the protocols and listening to the minister yesterday, I have been relieved of a good many of the fears I had prior to that time. One thing that strikes me is the guarantee given by West Germany that she will not use arms for the unification of Germany or any other expansion of her borders.

Yesterday the hon. member for Prince Albert (Mr. Diefenbaker) and the hon. member for Winnipeg North Centre (Mr. Knowles) asked about the manufacture of arms outside of Germany. They brought to the attention of the minister the aircraft plant that is being established in Spain by a German arms company. I believe that is fairly well covered because protocol IV, article 7, deals with the setting up of an agency to investigate the importation of arms and the amount of arms stored within West Germany. I cannot see how it would be possible, therefore, for any nation to rearm, maintain arms, or import arms without that fact coming to the attention of this agency.

It should be noted also that article 10 of protocol IV gives the necessary control so far as atomic armaments are concerned. I shall not read the protocol because it is too long, and I notice it is getting close to six o'clock.

The letters I have received have opposed the rearmament of Germany because it was felt it might interfere with the ultimate reunion of free Germany. I do not think that would be so, because Russia is not going to agree to any union until that suits her purposes. Russia is not going to allow free elections for some time at least because she knows it would not be possible to win a majority. The Russians know they could not win in West Germany, because the elections held there have already proven decisively that the people of West Germany have no intention of embracing communism. When you recall that West Germany contains the larger population of the two sections, it becomes even more doubtful that the Russians would agree to free elections in the near future.

In addition they know they cannot possibly win a free election in East Germany, in spite of the brainwashing and educational programs they have introduced. East Germany, for one thing, is mainly Catholic and the Catholics are noted for being one of the strongest groups opposed to communism. What guarantee have we that free elections will ever be held in Germany when the Russians will not allow their own people within the Soviet union to have free elections? How can they be expected to hold free elections in any protectorate, as a result of which they might lose power in that section of the country?

This afternoon I was glad to hear the Minister of National Health and Welfare (Mr. Martin) give some idea of the co-operation extended by the Soviet union in the debates of the United Nations this year. My experience in the United Nations a year ago showed me how unwilling the Russians were to co-operate at that time with the western nations in working out some sort of formula for the reduction of arms and for peace.

Many of those who oppose these agreements do so because they feel that we are going to turn the communists against us. They seem to feel that by backing down we are going to gain favour, that because the strength of the Soviet union is continually growing we should become weaker. They probably feel that if we get weak and puny the communists will take pity on us, as we might take pity on a puppy.

Let us not fool ourselves. They have no pity in their make-up. The stronger they become and the weaker we become, the less chance we have of ever achieving peace on this earth, except on their terms. It is also said that because there is danger of a third world war which could entail the end of civilization, we should grovel at the feet of the communist aggressor and submit to slavery without doing anything to protect ourselves.

I do not think an arms race is the only solution. I agree with some hon. members who have said we should make a continued effort towards peaceful negotiations. I agree also with those who said that we should be sending more clothing, food and so on to the have-not peoples of the earth, because if we had shown to those underdeveloped people a few years ago any of that Christian charity we boast about, they would not be embracing communism today. And had we shown a bit of respect, a bit of charity toward the Chinese people in the thirties, we would not have had men facing them in Korea during the last few years, and standing by to protect themselves from the Chinese at the present time. But we made those mistakes, and at least partially because of that we have to keep the arms race going at full pace today.

Like some other hon. members who have spoken I agree that these agreements and the rearming of Germany can put us in a much stronger bargaining position, because strength and force represent the only language the communists understand. And if we can add 1,350 fighter planes, 500,000 men, and other armament to our forces it will greatly enhance our bargaining position.

We realize that there is a definite risk, but we must also remember that the continued occupation of West Germany could do nothing more than antagonize the people and drive them directly into the hands of the communists. No one likes to walk down a street in a town and see members of the armed forces of strange nations patrolling those streets and sharing the livelihood of that nation. They do not like it. People like to feel that they are free. It is much better for us to give them an opportunity to show their good will toward us and to show that they are willing to co-operate with us than to antagonize them to the point where we know very well we cannot hope for any peace with them.

I cannot see that we have any choice other than that of rearming Germany. Because, believe me, if it ever came to a hot war between us and the communists I would rather have the German fighting strength as an ally than as an enemy. I might as well be frank enough to say that my decision to support this motion was to some degree influenced by the fact that there is going to be no real widening of Canadian commitments. But it does make it possible for the

Germans to help protect themselves, if the Russian hordes ever should pour across the border. Let us remember, too, that even if Germany does remain unarmed, Canada is committed to protect West Germany against invasion. Even if this entailed further commitments I would still feel justified in supporting the motion.

I think every Canadian having full knowledge of the facts would give support; because what we need now, in the light of all the facts, is plenty of determination, and to show that we are willing to back up that determination with acts of courage. I think, too, that any of those who think there is no war at the present time could not do better than read the article written by David Lawrence in the *U.S. News and World Report* of January 21. I am not going to read it, but I commend it to all members who think we are living in a period of peace. It deals with the border clashes in Indo-China, the bombing raids on nationalist China, the invasion of some of the nationalist islands along the Chinese coast, and so on. This article makes it perfectly clear that, in spite of the communist peace propaganda, there is an act of aggression taking place somewhere in the world every day. We have to arm ourselves against that, no matter how much we dislike doing so.

I support the motion, not because I want war; I do not. I hate it; but I hate slavery more.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, before I start on the main part of my speech I want to refer for a moment to one remark of the hon. member for York South (Mr. Noseworthy) in a speech which I thought was otherwise an able one, when he expressed opposition to the proposal now before the house on the ground that the Canadian people were not very enthusiastic about it. As I heard him say that I could not help but remember the story of an American advertising man who was sent up to Canada to do a big job, to put on a big advertising campaign. After he had been up here for about a year he gave up the job in disgust because, he said, he never could get the Canadian people to think in terms of "greatest in the world" or "biggest in the world". He said the utmost in enthusiasm that he could ever get out of the Canadian people was "not too bad". I believe the Canadian people will say of this proposal that is before us tonight, "not too bad".

If you will forgive a personal word, Mr. Speaker, apart altogether from the substance of what is before us in this motion, I want to say how proud I am to give my support to my oldest personal friend in the house, the Secretary of State for External Affairs. I am sorry that my second oldest friend in the house, the Leader of the Opposition (Mr. Drew), is not here also because, while I do not always see completely eye to eye with him, I do greatly regret that he is not here to make his personal contribution to this discussion on what seems to me to be the most important decision likely to come before this parliament of Canada for a good many years.

We have heard a good many arguments pro and con, and it must be very obvious to anyone who knows the facts that there is a great deal of concern in the minds of the Canadian people as to what is the right course of action of this Canadian nation and this Canadian parliament, which is the servant of the Canadian nation. I frankly confess that in the past few months I have given the question my own deepest personal thought, and partly to clarify my own thinking on it I went back to London just a few weeks ago. I got to London on the 1st day of September, and the first sight that greeted my eyes in that great city was great billboards put up by the Conservative baron, Lord Beaverbrook, blazing out to all the city "Don't rearm Germany".

Because I myself was going to NATO headquarters to discuss some of the military facts and political problems connected with NATO I decided that to clarify my own thinking I would do what I had never been able to do since 1918, namely revisit some of the old battlefields of the first world war. I had the privilege of going from London to Paris and being driven to the old battlefields of Flanders, Vimy Ridge and the Somme. And, Mr. Speaker, by one of those unbelievable coincidences that sometimes happen to us, I spent the night in Arras at the foot of Vimy Ridge in an ancient hotel which somehow or other looked familiar to me. When I checked up next morning I found it was the very casualty clearing station to which I had been carried on September 2, 1918, with a blue cross on my forehead which they tell me means that you are not supposed to get better. But here I am, how many years later—I am not good at arithmetic, but anyway quite a few years later—still carrying around in my carcass, shall we say, some of the bits of good German steel that landed there on September 2, 1918. The Secretary

of State for External Affairs complains about his voice trouble. People sometimes complain that my voice is too harsh, but if they do I say "Oh, well, the reason is that my tongue is literally edged with bits of German steel which have been there for 37 years."

When you approach at night from the rear that beautiful monument which is a great credit to this Canadian nation, with a full harvest moon highlighting those two pylons reaching to the sky, I do not know what you think but I know what I thought. I thought it was like the arms of a bereaved woman reaching up to heaven in prayer as if to say "How long, O Lord, how long!" Then in the daylight you see that immense battlefield. You see on the foot of that monument the names of 11,000 Canadians whose bodies were never found, 11,000 of the 60,000 Canadians who paid the price in the first world war. Then when you look around you see equally great numbers of names of British troops, of French troops and French colonials. Above all, Mr. Speaker, when you go down to that immense cemetery where the bodies of the slain Germans are buried two to one under painted wooden crosses and check up the figures you find that 44,037 German servicemen are buried there. You look at the two stone monuments erected by German regiments between the two world wars, and when you walk up close to one of those monuments you see marks of bullets on it from German machine guns of the second world war.

Then, Mr. Speaker, no one needs to tell you we are dealing with a very serious problem indeed when we are dealing with German rearmament. But when you drive away from Vimy Ridge on those wonderful national highways built I think by Napoleon—but for all I know perhaps originally built by the Romans and rebuilt by Napoleon—and find that young boys who are working on those roads, when they see the Canada sign on your car, wave at you and say, "Canada bonne, Canada bonne", it gives you a nice warm feeling. It does stir you a bit, and you realize that probably they are the sons or grandsons of the Frenchmen of the generation you knew.

Then, Mr. Speaker, you drive a little further en route to Paris and through the city of Bapaume. In the main square which so many of us knew during the battle of the Somme in the first world war you see that very striking statue of a recumbent figure. When you get up to read the inscription under that recumbent figure, you see that it memorializes the mayor of the city of Bapaume who was shot during the second world war for not having called off the resistance of the civilians to the German occupation. Then when your guide, a former Liberal member of this very parliament who is good on history, tells you that the Germans also shot the mayor of Bapaume in the first world war, no one needs to tell you, even if they did before, that this German problem is a very real problem indeed.

I want tonight, Mr. Speaker, in the clearest terms of which I am capable, to try to demolish one of the greatest of the fallacies which are sometimes bandied about. I frankly confess that I am appalled when people write me such things as "Never again trust the Germans" and "No guns for the Huns". I say that I am appalled when people talk as if all Germans by race, by blood, by ancestry, were incurably evil. I do not know what this house thinks, but the more I think of it the more I believe that particular theory is just Hitlerism in reverse. It is just the most vicious form of racialism, just as it was vile and foul for Hitler to convince the German people that they were the master race, that they were superior creatures and that all the rest of the world were lesser species. I think it is just as vicious to take the view now that all Germans are incurably bad and that the German people should never be able to live their own lives again.

But there is an even more immediate reason, I think, why that doctrine should be rejected by this house. Where would we be in regard to our own beloved royal family if we adopted the theory that all Germans were incurably evil? What about the Mountbattens? Where would we be in regard to our very great friend President Eisenhower of the United States or General Gruenther, the great military head of our NATO coalition? Or if we want to come closer to home, where would we be in regard to some, including one from my own province, very fine generals in the Canadian army in both world wars? And where would we be with regard to the very fine people of Waterloo county or the people of German origin who have served us faithfully in this parliament and in all previous parliaments since and before federation?

The problem with which we deal is not the problem of evil Germans as a people. We are dealing with Germany as a great national power which perhaps has been something of a problem because she came too late on to the stage of history. She came later on the stage of power politics and history than some other nations, but I submit that the theory that Germany is an essentially evil warmongering power is a theory which hardly stands up in history.

I hold in my hand an original copy of the London *Times* which reported the battle of Waterloo in the year 1815. As a truthful newspaperman I am bound to say that in these four pages of the London *Times* published in 1815 there is much more news than in our newspapers of today running to perhaps 96 pages.

I see in the main item, which by the way did not make the front page because that page was all taken up with advertisements, that the Duke of Wellington was reporting on the battle of Waterloo, and it states that he pinned the whole battle of Waterloo on the attack of the Prussians. The whole purport of his dispatch was that if it had not been for the Prussians as well as the British, Napoleon never would have been overthrown and the history of our times would have been very different indeed.

When I hear people say that the Germans are incurably evil, that there is no hope for the Germans and that a German should never be trusted with anything stronger than a cap pistol or a water pistol, I wonder if that stands up in the perspective of history. I have in my hand an extract from a book written by Professor Quincy Wright of the University of Chicago. This is a massive two-volume study of war from 1480 to 1941, roughly between the time of the discovery of America and the second world war.

On looking at the score card I find Germany pretty nearly at the end of the list for the number of wars fought. To be precise, I find that Germany is fourth from the end in the list of all the powers. I will give you, Mr. Speaker, or any member in this house one guess as to the names of the two nations that head this list of the number of wars fought, because 99 per cent of the members in this house are descendants of either one or the other. The first is Great Britain with 78 wars and the second is France, which is very close behind with 71 wars. Germany is a mere piker, small-time stuff in the light of history and the matter of fighting wars.

The man who wrote this book is a very modest American. He seems to take great delight out of the fact that in 150 years the United States of America was engaged in only 13 wars; but then he puts down one of those little stars, those things they call an asterisk, and he has a note indicating that this does not include 110 expeditions against the Indians.

I think the real problem with which our generation has to deal, and with which this house is called upon to deal now, is that of the terms on which Germany is to regain her freedom of action in the family of nations. I have never, even in the worst and most bigoted days of the war, been among those who thought we could keep Germany down permanently by force. We tried to keep her down by force before, and we got Hitler. We can never keep Germany down perpetually by force. Those people who talk about keeping Germany disarmed forever are simply stating in another way that they think Germany should be deprived of self-government forever.

I have made quite a study of the statements of the social democratic party in Germany, for which party I have great respect, and I have never seen any statement by that party which did not indicate very plainly that once they regained their unity, once they regained their self-government, they themselves would decide in their own interests to what level they should rearm. It seems to me that what we are called upon here to decide is upon what terms Germany is going to be given the right of self-government, and on what terms Germany is going to be given the right to rearm to a limited extent.

I confess frankly that had history taken another course; had the war come to an end; had we got first a Germany united and peaceful and willing to conduct itself, shall we say, as a greater Switzerland; had we got a united and peaceful Europe, including everything west of Russia, willing to conduct itself as a still greater Switzerland, then in my opinion everything would have been happier for all concerned. But we cannot make the waters of history run uphill. We are in our present position, and it is not an imaginary position indeed.

I referred at the outset of my speech to the fact that I had the great privilege of going to NATO headquarters. I happened to be there when Sir Anthony Eden was doing his great peace-making job, picking up the pieces of what had been wrecked through the destruction of EDC, in my opinion in a great, historic, adventurous and faithful way —faithful in the very sense of the word, full of faith. We faced tragedy at that moment. But I saw Sir Anthony Eden sitting on a bench with Premier Mendes-France. I didn't know what they were discussing, because I saw them only from a distance; but I think at that moment history was being made.

Then on the front page of every newspaper in Paris that afternoon I saw the picture of John Foster Dulles and Chancellor Adenauer studiously posed at a meeting in Germany. I do not think the French people are very slow on the uptake. I think every French person knew perfectly well what was the choice for the entire western

community at that moment. It was "Either let us get together; let us weld western unity; let us stand together; let us make the best arrangement we can, or else." As certainly as we are here today we would have been faced with a straight two-way alliance between the United States and Germany. Had that happened, then in my opinion we soon would have been faced with the proposal General de Gaulle was brooding about; that is, a counter-alliance between France and the Soviet union, and we then would have been further on the road to a third world war than we are today.

I sometimes wonder who will go down in history as the greatest peacemaker this country has every produced. It may be our present Secretary of State for External Affairs (Mr. Pearson). History will speak very highly of him, and of all of us who are members of parliament and members of the government at the time of making this decision. If this decision turns out well, history will say we were wise people indeed. But if this great decision turns out badly history will say we were ill-advised indeed. Unfortunately none of us has the faculty of being able to peer with uncanny accuracy into the future. At any time we can only do our best with the light the good Lord has given us.

From our own North American history I draw a great lesson. If you go to the town of Deseronto in the county of Hastings and look in the main square you will not find any monument to the greatest person ever born in that town; but for many years I have made a hobby of the study of North American Indian history, and I believe that a man who was born in the town of Deseronto was the greatest and most practical peacemaking statesman this world has yet produced.

If you dig through the dusty tomes in the Smithsonian Institution in Washington, or read the annals stored in the archives at Albany, New York, you will find the history of this great Indian peacemaker, whose name was Deganawida, and who spent 12 years of his life in welding together the original five-nation Indian confederacy. Those were the five hostile tribes who for hundreds of years had been just as bloody and warlike as the great powers of our own century.

When at last his great statesmanlike effort was crowned with victory and representatives of the original five nations, who had been bitter enemies, were gathered together in a building, they sat down together for six whole days before anyone said anything. I sometimes think the United Nations would have got on a lot better if we had waited a little longer before we began to talk in the hostile and belligerent terms so often used in the past 10 years.

The original five-nation Indian confederacy was eventually broadened to include a sixth Indian group, and this six-nation Indian confederacy kept the peace absolutely by banishing the anarchy and lawless relationship that had existed between these former enemies for hundreds of years.

I for one, Mr. Speaker, believe that what was done by the six-nation Indian confederacy in North America hundreds of years ago is not beyond the possibility of achievement in our time. If we have anything in our Canadian history of which we can be justifiably proud—and sometimes I think we should not be too proud of it because neither part of our nation sought this destiny—it is that people from two great countries in Europe which for hundreds of years had been the bitterest of enemies and at one time fought a series of wars lasting a hundred years, now live together in perfect amity. Our greatest achievement is that we have enabled people of two races, two cultures, and two languages to live side by side in this great country and work together as partners to make a united Canada which is highly regarded by every nation on this earth.

I am not one of those who believe there is anything peculiar about the French and English, or that there is anything unique about their respective qualities. But I believe that the process which worked to enable the people of French and English origin to live together could possibly work also to include all the nations of the western alliance who have been allies in former wars. I believe also that that very process and that same approach will yet bring us great friends and great assets in the German people.

If you will forgive me for a personal reference, Mr. Speaker, I would like to recall that one of my brothers went off to the United States after the first world war. He heard that members of one branch of the family came from Ireland, and another branch instead of coming to Canada went down into Kentucky. But much to his chagrin, when he went down to look up our relatives he found they had been the worst feuding, fighting lawbreakers in the entire state of Kentucky, up to a certain point. When he delved into their short history he found that some wise person at the proper stage of historical development had found a way of making these lawless, feuding, fighting people fit into the law-abiding picture. His formula was very simple. He just made them policemen.

I do not believe, Mr. Speaker, there is anything in the nature of the German people or anything in the nature of Germany as a country which makes it inevitable that Germany will again cause trouble. In saying that I am not unaware of the risks everyone has pointed to in regard to this arrangement. One risk I see very clearly is that at some future time the rearming of Germany might bring about again what Ludendorff did with Lenin in 1917, or what Hitler did with Stalin in 1939. But I think there are risks in any course of action or inaction open to us.

It seems to me, Mr. Speaker, that when human beings are faced with a decision which depends on whether they take an outlook which is full of faith or full of doubt, when their decision depends on whether or not they are going to rely on the good will of another aggregation of human beings or are going to take for granted that this other aggregation will act for the worst, on the basis of ill will, we can never take a better guide as to what our decision should be than words of the illustrious Sir Wilfrid Laurier, when he said in almost the last speech he ever made:

> Let me tell you that for the solution of these problems you have a safe guide, an unfailing light, if you remember that faith is better than doubt and love is better than hate.

It is in that spirit that I for one am proud to stand here tonight and say that with my eyes wide open, having a firm conviction of faith in the good will of Germany, having faith in the progressive organization of humanity towards a basis of international and world law, I shall cast my vote in support of the agreements which are before us tonight.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I am very pleased with the tone of the debate thus far. It has been conducted with a seriousness which I think is worthy of the occasion. I note that the hon. member for Vancouver South (Mr. Philpott) has been able to follow on this occasion the entertaining and humorous vein he usually pursues. At least the debate has been serious enough that no attacks have been made upon those who have presented views contrary to those expressed by other speakers, and I propose to adopt the same course. I shall not even try to refute contrary arguments. I shall, at the risk of repetition, perhaps, say some things which have already been said. I shall advance conclusions to which I had come before the matter was mooted at all in this place and which I had previously jotted down to clarify my own thinking. These points I do not think I shall even embellish or elaborate.

The private member of parliament is at a disadvantage when discussing foreign affairs. He has, particularly if he belongs to a smaller party in the house, no research facilities, and has had no opportunity to make contacts with the leaders of opinion in other countries throughout the world. He has to rely very largely for the formation of his own opinions on what he reads of the opinions of others; and what he reads may, as we have discovered, be mixed with a good deal of propaganda of one kind or another.

But after all a private member of parliament does have some feelings. He has, I hope, at least a modicum of common sense, and he does represent in a way the collective good sense of those who sent him to this place. Many people think, and this is proven by the letters we have received and the interviews we have had with people either at home in our own constituencies or since we have come here, that the opinion of a member of parliament like myself or the opinion of an opposition group such as we constitute here, can have some effect upon the ultimate decision as to the ratification of these agreements, including the rearming of Germany. On that point, as I have perhaps vainly tried to explain to them, they are quite wrong.

I think the people of the country should know that Canada was committed to the ratification of these agreements months ago. We are here discussing foreign policy after—and I emphasize the word "after"—rather than before the event. More and more the foreign policy of Canada is decided by the Department of External Affairs and, I think it is fair to say, less and less by parliament as time goes on. That department in its dealings with the diplomats of other countries shows complete assurance that anything it chooses to do, even months ahead, will later be endorsed by the government majority in the house; and that is so on this present occasion.

The protocol will be ratified. Rearmament of Germany will be ratified. I speak with assurance, particularly in view of the ratification by the French national assembly under pressures which I shall not discuss here. All we can do here is subscribe to a *fait accompli* or refuse to subscribe to it; and for myself, I refuse so to subscribe. With full consciousness of the ultimate futility of my action, a futility which I think I have explained, certainly to my own satisfaction, so far as its effect is concerned, I shall vote against this proposal. Under the circumstances I realize the futility of making a long speech about it, and I am not going to do so.

In the consideration of this matter one could be swayed by his emotions if he allowed his emotions to get the better of his reason. I suppose, Mr. Speaker, that all of us, even the wise men, are swayed by emotions whether or not we know it. So far as emotion is concerned, one could quote the words of the great statesmen of the period of the last war and the justified vituperation that was directed against our nazi enemies. I have a recollection of Mr. Churchill hissing into the radio—those nazis. "Never again" was the slogan. May I remind you, sir, that never is a long, long time; and as to the "again" it is here with us. Today we have come to "again".

Another emotion that might be aroused in us springs out of the communist opposition in this country to German rearmament. I said that in my opinion the debate up to the present had been carried on in a serious and dignified manner, but I should like to make one exception. I refer to the rather snide remark—I do not like the word but I cannot think of a better one at the moment—of the Minister of National Health and Welfare, who suggested that there might have been some softening of our opinion or the opinion of the country in this regard on account of certain propaganda from the handful of communists in Canada. It is true that the minister immediately withdrew that inference in so far as members of parliament were concerned. I have heard the Minister of National Health and Welfare (Mr. Martin) do that sort of thing before. I believe, however, that inferences, accusations or slander once indulged in can never be completely withdrawn. I am sorry to have to interject that note, but I think the method which has become so familiar to the members of this house was fairly evident in the debate this afternoon.

Speaking for myself I might say my natural reaction to the opposition which has been expressed by a handful of communists in this country, if it tended to drive me in any direction, would persuade me to support ratification if I were not otherwise so inclined. But I am not going to allow a handful of communists in this country, or a mob of people in this country, to form my opinion for me. I do not admire the intelligence of people who would fall into that particular type of trap. The communists, as I have discovered, are difficult people with whom to live. Every time I have sought re-election they have opposed me. As I say, I am not going to fall into the trap of being swayed by the opinion of anyone else. I must stand on my own.

Translating this idea of living with them, or to use a phrase that has now become rather trite, coexistence with communists, I may say it now has a wider meaning. We shall probably find it rather difficult to live with the communist nations; that is my own reaction. Distasteful as it may be to live with them, however, I think we would find it even more distasteful to die with them. This may be strong language, but in my opinion that will be the ultimate result if war, in its full force, breaks out amongst us. But enough of emotion.

I have said that we must be ruled by reason. I am opposed to the ratification of this protocol, which includes the rearmament of Germany, for the following among many other reasons which I could but shall not elaborate. I want my statement to be clear so that he who runs may read, and so there may be no doubt as to what my opinions are.

I believe that the rearmament of Germany now will be an irrevocable step in dividing that country, and will create an impassable barrier to the unification of that country. I believe it would be considered a warlike step, rather than as some of my friends on the other side have suggested, a peaceful gesture. I believe it is as a warlike gesture that it will be considered by what one might call the neutralist countries and particularly those in Asia, those countries that are watching us closely for the implementation of our oft-professed desire for peace.

I believe, in common with the hon. member for Winnipeg North Centre (Mr. Knowles), that time is an important element. It is important in one way he did not mention. If it is granted to us, time will provide the opportunity for a new generation of German youth, unarmed over a period of years and living under peaceful conditions, to arise. This generation would be less military-minded than the generation preceding it. If we begin now once more to put German youth into military uniforms we will interrupt the impact of a period of peace upon the youth of Germany.

I believe further that the rearmament of Germany would be the ultimate step in completing the division of the eastern and western worlds into opposing camps. I believe that the rearmament of Germany to the extent of 12 divisions would be futile, because such action would only be reciprocated by the creation of an equal, double or triple if you like, force on the other side. The other side would have the advantage of manpower, and we should be merely accelerating the pace of the military armament race. In any event I do not believe

12 German divisions, even if it may be assumed that they would be used on the side of the west—a point in regard to which some speakers in this house today have been uncertain—would make any essential difference in a total war. Military leaders such as Viscount Montgomery, General Gruenther, and a United States admiral whose name I can never recall, have expressed the view that there is no doubt in their minds that should war break out, thermonuclear and atomic weapons would be used. I ask you whether you believe 12 divisions will shift the balance in favour of the western world.

I believe that the creation of further divisions—this is something we should listen to and think about—proves that we are still clinging to the fantastic and obsolete idea that differences between the peoples of the world can in fact be settled through force of arms, and that one side can emerge victorious. I do not believe that war is inevitable. Somehow I have that faith. It is backed, I believe, by reasons which I could state if I desired to take the time. I do not believe that any of the people in this world want war. I do believe that all the peoples of the world want peace. The rearming of further legions looks to me like a peculiar way of expressing that desire for peace.

I am not sufficiently optimistic to believe that if you did grant Germany permission to create 12 new divisions, the creation of those 12 divisions would lessen the difficulty of control. Rather it would increase it. If conditions do not change, Germany is going to arm herself. Let us make no mistake about that. She will rearm, and that rearmament will be limited only by her own desires. But we need not thrust arms upon her.

I am aware that the nations of the western world have ratified these agreements. I am aware, too, that some parliaments, some under severe pressure, some by small majorities, and some by devious means, have ratified them. History has proved that on occasions the majority has been wrong, even an enthusiastic majority, as my friend the Minister of National Health and Welfare has this afternoon—and quite wrongly, in my opinion—described the majority of nations supporting this protocol. But history has proved, as I said, that the majority may be wrong.

This government has set its mind upon ratification. Even this government, at times, has been wrong, and I believe it is wrong now. I must assume my own responsibility, and when doing so I do not speak for this group or for any other members of this group, but speak only for myself. And I speak as I believe. I must speak and I must vote as I believe, and I must oppose ratification.

Mr. Maurice Boisvert (Nicolet-Yamaska): Mr. Speaker, I never thought it would become necessary to rise in this House of Commons in a debate of this kind, but I have been greatly surprised to hear some hon. members opposite take part in the campaign in which we, in this parliament, have been asked to vote against the rearmament of Germany.

It is in the light of the grim facts that we are forced to do so. But has Russia helped the world since 1945 to make us change our minds? I have been surprised in this House of Commons, in this parliament where freedom is our goal, to hear some hon. members speak against something which is a necessity in the life of this country as well as in the lives of those countries which, with us, are devoted to liberty and freedom.

Yesterday I listened to the Secretary of State for External Affairs, and I was greatly pleased with the manner in which he placed before the house the fact that today against our own will, we are confronted with the necessity of rearming Germany because Russia and her satellites are ranged against us. I read the minister's speech of January 1 in which he said that we have to do this, and that our people should not forget that the rearmament of Germany comes within the framework of a world organization in which the North Atlantic nations are united.

So Germany will be rearmed, and within what scope? We have developed the treaty of the North Atlantic nations, and under the procedure now being taken, Germany will be incorporated within a group of nations organized not for the purpose of waging war but rather that of waging peace. And this is something which Russia and her satellites have not done since 1945.

What about Poland? Is it not a fact that Poland was always an enemy of Russia? Yet Russia took Poland and we see that today Poland, without the consent of her own people, is obliged to suffer the reorganization of that country by Russia, with the Polish people having no right to say one word in the matter.

When we seek to rearm Germany we are criticized by some of our friends on the other side of the house. When we seek to rearm Germany to bring peace to the world we are criticized by some people, the same people who are satisfied when Russia rearms Poland, a country which over the centuries has been Russia's enemy. If hon. members opposite could give me any explanation of the stand they take, perhaps I would be prepared to

discuss the matter with them. But the fact today is that while Poland is rearmed by Russia, the people of Poland have had nothing to say about it.

Because of events since 1945 we have reached the point where we are forced to rearm Germany. This does not give us any pleasure, but we must keep in mind that as individuals we do not run the world. The world as it is today is the result of history, and history records that at times we have had to fight while at other times we have been able to get together. But we have to get together by peaceful means, by agreement and understanding. That is not what Russia has done since 1945. We are doing our best to build a world in which peace will govern the actions of each individual. I say it is a bad thing for Canada when, within this country, such campaigns as I have indicated have been promoted.

It may be that this is done in good faith. I will not question the good faith of those who are behind it. But these are the people who come to us and say, "Do not do anything. Be gentle. Be nice. Let it go. You know, Russia and communism do not carry with them any harm against any country or any people."

This is a bad position to take, because those citizens who undertake the campaign do not serve our faith in democracy, they do not carry out our faith in idealism, or our faith in freedom and liberty.

When I see some of my friends on the other side, who are always promoting the freedom of human beings on earth, working against themselves when they do not agree with us on the rearmament of Germany—because the rearmament of Germany is one solution which will create peace in the world—I am amazed. If we can get more countries to come on our side we can be sure that one day we shall convince those people who do not think as we do that there is only one way to build a peaceful world. That is: to give freedom to all men, women and children in every country in the world; to assure them freedom and liberty which will make them strong enough to change the form of their government, if the government is trying to subdue them under a form of dictatorship which is not good for any human being.

We are asked today not to rearm Germany, but to bring Germany within the nations which, since the implementation of the charter of the United Nations, are working very hard to bring about peace in this world. Can we get peace anywhere in the world if we are not sold on the idea that peace comes from our hearts and our minds? Do you think it is possible to create peace in any country in the world if you disturb the minds and the hearts of the people by trying to induce them to campaign against their own country, against peace and against a way to create peace? No, it is impossible; and no political ideas in this world will bring about peace if we do not get together in good faith and sincerity to promote peace in the world.

Peace is something formidable. Peace is something very difficult to understand. Peace is a relation between the life of any individual, anywhere, and his own country. Peace is something we carry in our hearts and our minds. I cannot understand why today some people in this country and in other countries are carrying on a campaign against peace for the benefit of the U.S.S.R. I have no criticism of their leaders; they might be acting in good faith.

What are the facts since 1945? We sacrificed our sons and ourselves, we sacrificed this country for the freedom of the world, and we were helping Russia in every way possible. Who would have thought at that time that after the victory was won we would be antagonizing ourselves over things which mean the destruction of the people's minds, because communism does not mean anything but the destruction of the people's minds.

They are building up in Russia today a mentality which does not appeal to the people but which is a form of obedience to their leaders and to the government which has no connection with the hearts and the activities of the people of that country. We want to keep our freedom to think, our freedom to pray to God, in which we have faith. We want to keep our liberty to do what we think is good for the country, and this is a resolution which might assure us that we are going to protect the free world against the forces of communism, the forces of Russia. We must remember this.

I do not care very much about what people might think. Liberty to think is the important thing. Of course we might use it for ends which are for the good of the country, or we might use our freedom for an end which has no relation to our own good. Canada is a country where we are free to think what we believe is the best for our country, what is best for humanity and what is best for the good behaviour of the people.

What have we received today from those who have spoken against this resolution which was so well presented by the Secretary of State for External Affairs? What have we? Nothing; just words, an expression of

views, which might bring to the speakers a few votes or some sympathy. We have to be realistic. What is the world situation today? Russia has some bases in Prussia. She does not care about the sovereignty of Bulgaria and Roumania. Russia does not have any care for the sovereignty of Poland, Hungary, Czechoslovakia or even Austria today. It is a dragon with long arms trying to conquer the western world, and this fact does not seem to appeal to our friends who are talking against the rearmament of Germany. Look at what Russia is doing in Asia. It might have been possible for Russia to stop the Korean war, which cost the United States, Canada and the other free nations a great deal of money. What did Russia do to prevent that war? I would like someone to answer that question.

An hon. Member: I will.

Mr. Boisvert: When will you answer?

An hon. Member: Right now.

Mr. Boisvert: I am sure your answer would be no good. What did Russia and red China do to prevent the Indo-China war? When you tell me you will answer, it means to me that you are not free in your mind to give a free answer to my question.

We are facing difficulties. We are in a world where it is very difficult to balance the forces of one side and the forces of the other side, but there is one thing which cannot be contradicted by anyone; that is the fight between freedom and slavery. If Poland could rise and speak her mind she would not stay for one minute within the framework of what we call the satellites of Russia, because we know that the satellites of Russia are not free to express their will, their faith and their convictions.

It would be the same with any of the nations that are now subjugated by Russia. We have nothing personally against Russia. I do not want to antagonize any country in the world, because I have faith in the good will of the people of any country. I think it might be possible to bring the people of these countries together. We are told that if they could but understand the way we think, the way we feel and what we have in our hearts, they would join forces with us to establish a world of peace, a world of good will, a world which would be one of glory for our children, where war would be no more, where peace would dominate the minds of everyone.

I should like to say a few words in French before I conclude my remarks. We are told that we are rearming Germany.

[Mr. Boisvert.]

(*Translation*):

This is not quite the case. We are associating Germany with NATO, and when voting for German rearmament, I shall feel the same grief as my learned friend from Cartier (Mr. Crestohl).

One thing must not be forgotten in this world, and it is that those who speak or agitate are not always those who decide the fate of nations. History is stronger than the individual action that might be taken in a particular place, and the course that nations have to follow at one time of their history is determined by the forces of history. We are surprised to have to rearm Germany, but that is what history has always taught us. Napoleon fought against his foes and a few months later he was rearming them and fighting along with them. I could go further back in history, and say that the best friends of Louis XIV were his former enemies whom he had defeated.

But we must not forget that we are no longer living in a world where wars must be fought. We are living in a world where we must live in peace, where we must make peace. And this peace will only come from such personal feelings as we may have towards it. It is these personal feelings which we must ourselves have and spread abroad by word and thought.

Some countries want war, but the very basis of the United Nations is that the world must live in peace. Statements to this effect also occur in the charter of the North Atlantic Treaty Organization. Here, in Canada, we want peace, we are looking for peace. But peace is not a unilateral thing. It is achieved through agreements and the good will of nations working towards the same ends. Ever since 1945, every time that this country has thought it possible to seek an agreement with Russia, it has done so, not only for the good of our country but for that of every other nation. But Russia has always found a way of evading the issue, of delaying discussion and of preventing, by its actions, peace-loving nations from finding a solution.

I need not repeat the statement made yesterday by the Secretary of State for External Affairs (Mr. Pearson). We know that in her relations with the rest of the world Russia does not act in good faith and that she endeavours to implant here, as in all other countries, a philosophy which tends to destroy individual liberty in order to allow her to dominate nations. Communism is but one form of the activities of the Soviet republic. The Soviet republic pursues the

age-old idea that Russia should dominate Europe. Peter the Great, imbued with this idea, led his armies across Poland and tried to conquer her. Russia nowadays pursues the same idea of world conquest envisioned by Peter I, Peter the Great, father of panslavism. The outcome of revolution was that the idea of the aristocracy and of the middle class became that of the mass of the people.

The error of the communists makes possible this spiritual distortion being spread about by individuals fascinated by this doctrine which destroys the human community. By an act both just and fair, any individual can secure what is best from a society based on freedom and justice. Is it not unfortunate to see some of our fellow citizens work counter to the principles accepted by this government and counter to our natural propensity to accept the only solution? In France, in England, in the United States, the government of the country is in agreement. However, some groups believe, in good faith or in bad, that it would be better to be slaves than free citizens. The liberty of our country to choose the best means of maintaining the marvellous conditions which exist in this country must prevail. Security, as well as liberty, is the undeniable right of everyone.

Oh, I know very well that we may have, on the right or left, political theories which are different. But when these theories are applied by men of good faith they never affect the security of the nation. I have nothing against those who have accepted them since they may make a contribution to the well-being, security and liberty of the nation by fair and constructive criticism.

But still, I would not like to see in this country any move which would tend to scuttle what we have managed to accomplish since the turn of the century for the Canadian people. But for us, in the province of Quebec, communism is the fundamental error of those who have no confidence in themselves. It is the fundamental error of those who believe in nothing save in submission to the dominating power of a government which ignores them. We in Quebec still have faith in those ideas which are the very basis of this Christian civilization of ours. And having faith in that civilization we are convinced that no force will destroy man in his faith, conscience and spirit. And those who think they can dominate us through what I call a spiritual nebula and which some call communism will never succeed in convincing those of our faith that they should accept being slaves rather than the free men that we are.

(Text):

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, it requires a good deal of self-assurance to believe that one can add anything to this debate, particularly considering the level at which it has been carried on and the ground it has covered.

But there are three reasons I wish to say something on this matter. First of all, because of the vast importance of the question we are discussing. Second, because I feel that with those who have announced they are going to vote against it I have very much in common. I go far along the same road, and I cannot help hoping that at the end of my remarks they will take the turn I am taking and not the one they have announced they are adopting. Third, I want to speak because I have had occasion in my own constituency to talk to deputations who visited me, and I feel I would like to put my views on record for their benefit and for the benefit of anyone else who may see these remarks.

It was rather shocking to me to find the amount of indoctrination to which these deputations had been subjected. Some of them, particularly a younger group, told me they considered President Eisenhower and Sir Winston Churchill warmongers. For that reason—and this is one of the excuses I have for taking part in this debate—I want to put on record quite briefly one or two of the things President Eisenhower has said, which seem to me to show that we are fortunate to have a man of such wide humanity in the responsible position in which he now finds himself.

He is describing the position he is in and the responsibility he carries, and he says:

> " . . . if we are going . . . to take such a fateful decision as leads us one step toward war, let us, by no means, do it in response to our human emotions of anger and resentment, but let's do it after we have prayerfully considered it and found, as (President Woodrow) Wilson expressed it, 'no other means of protecting our rights.' "

I want to put that on record because I think it is desirable that it should come to the attention of as many people as possible.

As to Sir Winston Churchill we know his record. We know that unworthy people for unworthy ends tried to represent him as a warmonger for election purposes. But we believe that has been long since swept away and he has appeared in his true light as a man whose whole desire at advanced age still is to do something for the cause of peace.

To the deputations that came to see me I made a very simple, perhaps naive answer.

I said, "I will agree with you as to the danger. You do not have to argue with me, because there are dangers. But the best answer I can give you is the vote in the French chamber." Surely if any people in this world know the dangers it is the French. They have suffered again and again at the hands of the Germans, and if they can bring themselves to vote as they did surely the rest of us can do so also.

I pointed out to them that there are encouraging signs. I reminded them that the Germany which makes up West Germany is not the Prussia that we found so truculent and difficult. I reminded them that it was the milder Germans we were dealing with, the Germans for whom we used to have a friendly feeling as we faced them across no-man's land. When we found the Saxons there I think, if my memory serves me right, we were quite sympathetic, and we perhaps felt more irritated at divisional headquarters than we did at the Saxons.

There is reason to hope and believe that the democracy which failed to take hold in Germany between the two wars will take hold now. We believe Adenauer is serious and sincere. There is some ground for the belief that we may have a Germany which is not going to hand itself over to the military but is going to go out for peace.

I repeat that there is, of course, a risk in German rearmament. But in the case of Russian rearmament it is not a risk but a reality which we have with us now. That actuality is so real that I find it difficult to understand how my friends with whom I agree so much and with whom I go so far along the road apparently do not end up with me.

Now let us look back for a moment. Let us remind ourselves of our disarmament in 1945. Let us remind ourselves of our feelings during and after the war. Let us remind ourselves of the agonizing anxiety with which we followed the Russian campaign during the war. Let us remember the days of Stalingrad and how we agonized over what was going on then. Let us remember what Churchill said in 1941 when Hitler attacked the Russians. He said, "Whoever fights against Hitler is our friend." Let us remember the feelings we had in 1945 when we hoped that we were all going to co-operate in working for peace.

At this point I want to put on the record words used in the house by the hon. member for Rosetown-Biggar (Mr. Coldwell) in March, 1949, at the time we were voting on NATO. Let me here remind the house that we had a practically unanimous vote for NATO, and let me venture to say that it is utterly impossible for me to understand how anyone who voted for NATO can now vote against this resolution, because it seems to me that the arguments which prompted us then are just as strong now. What I shall read sets out well our pressing sense of disappointment at the end of the war when we found that the co-operation which we had hoped for was not forthcoming. At page 2072 of *Hansard* of March 28, 1949, the hon. member for Rosetown-Biggar said:

> Those of us who were at the San Francisco conference hoped and believed that the victorious nations would unite to prevent aggression, to end the threat of war, and to lay the foundations of that permanent peace for which men and women of good will hoped and prayed. But even whilst we were at San Francisco and the conference was in progress, indications were not lacking that understanding would be difficult.

Further on on the same page I read:

> Shortly after that a Labour government was elected in Great Britain. As we know, they believed absolutely there was every possibility that they would be able to reach understandings with the Soviet union on basic problems. It was not long, however, until it became obvious that the communist government and its parties throughout the world had launched a vicious offensive against democratic socialist governments and their parties everywhere. Because of that and the bitter attacks on countries with democratic socialist governments, to which we listened with grave and growing concern at Lake Success in the autumn of 1946, it became evident that far greater difficulties faced the world than were anticipated at San Francisco.

We can recall so well, as if it were yesterday, that disappointment. We disarmed then with almost feverish haste, and we had it almost completed before we woke up to the fact that the communist countries were not following our example. Now we are told that we must work for disarmament again, and apparently we are to do it by unilateral disarmament. Apparently we are to negotiate from weakness. That is what I understood the hon. member for York South (Mr. Noseworthy) to say, and it is so hard for me to understand. Surely if we have learned anything in these last years it is that the only time we have got anywhere is when we have negotiated not from weakness but from strength.

It seems to me that we can say, with all our imperfections and all the criticisms we make of ourselves—and we are able to criticize ourselves and each other in this free country—nobody outside of a lunatic asylum has any but the most whole-souled desire for peace. Incidentally, when I listened to those young people who came to see me and realized they had been poisoned with the thought that in this free country on this free continent, and in Britain and the other free countries, there was anyone who had other than a sincere desire for peace, I understood better

than ever before what evil subversive propaganda was at work. So I come back to say that we wish to work for peace. We wish to disarm, but surely we have learned the lesson that unilateral disarmament is no good.

I want to deal for a moment with the speech of the hon. member for Winnipeg North Centre (Mr. Knowles), whom I respect and whose speech yesterday I respected. But I suggest to him that he was not at his usual level of logical clear thinking. I read briefly from his words as found at page 395 of *Hansard*:

> The hon. member for Esquimalt-Saanich dares to hope that the hydrogen bomb is so terrible that it will not be used; therefore we must have conventional armaments upon which to rely. We all hope that is true, but I wonder whether in our heart of hearts any of us really believes that a third world war would go very long without the use not just of the obsolete atomic bomb but of thermonuclear weapons.

He went on to say:

> . . . I feel we have to start from that premise and somehow we must take the kind of steps which will make sure that war will not break out again.

But these are the steps that those of us who are in favour of the resolution want to take. These steps are the ones we believe give us the best chance. We realize the dangers, but surely we are entitled to argue that we have tried to negotiate from weakness and we have found it no good. What small success we had in Korea surely was by reason of what Churchill called the "valiant decision" of Truman in 1950, and how valiant it was, to stand up to aggression at that time.

Incidentally, while the debate was going on it occurred to me to wonder whether if we heard next week that Germany had turned down this resolution we would be very happy about it.

The hon. member for Saskatoon (Mr. Knight) said we might just as well face the fact that Germany is going to rearm. I was amazed to hear him say that and at the same time announce that he was going to vote against the treaty. If Germany is going to rearm, would we not rather have them rearm and be on our side, be part of our team? I could hardly believe my ears when I heard that. We all recognize the danger. We all know that safeguards can never be 100 per cent complete, but surely we have to take calculated risks and go ahead.

I should also like to put on the record what seems to me a statement clear as crystal emanating from that great man—and he has become much greater this year by what he has done—Sir Anthony Eden, speaking in the British House of Commons on the 17th of November last. I cannot see any answer to this. He said:

> What are the alternatives that now face Europe? In the main, there are only three. Either the cold war will continue; if so, we shall have a continuation of the heavy financial burdens, to which the right hon. gentleman the member for Ebbw Vale—

I hope if there are any Welshmen present they will correct my pronunciation.

> —(Mr. Bevan) referred, over a period of years with all the strains and stresses . . . that that brings with it. The second possibility is that the cold war will become a hot war. If that happens, I do not think, with all respect, that the calculations of any of the treasuries of the world will become very important one way or the other. There is a third alternative which is that, out of these arrangements which we have so carefully built up, it may be possible for negotiations to be developed in Europe which may lead to ultimate success and agreement. It is for this third possibility that we are now working. We think that the Paris agreements have taken us some steps towards that . . . The only real alternative to accepting the Paris agreements would be to plunge the west into confusion and despair. Is anybody seriously going to contend we should better be able to negotiate with Soviet Russia if we were in that particular condition? I cannot believe that to be so.

I should like to say a word more about the French attitude. Some of us had a good deal to do with the French more years ago than we like to count, and we conceived for them the greatest admiration, respect and affection. We were able for that reason to sympathize with them, particularly when the second war came and, bleeding still from the scars of the first war, they were overwhelmed.

They are now facing a third time of trial. When I was in France four years ago I recall travelling on a train and sitting in a dining car opposite a French lady. When she found I came from Canada she said, "Canadians are a very fortunate people." One felt the bitter anxiety which they were facing every hour of their lives. The French have agreed to this. It is true the majority was small but, as the member for Prince Albert (Mr. Diefenbaker) pointed out, if you remove the communist vote the majority becomes substantial.

The last point I want to make is that we are told time is essential. I suppose time is always essential. Apparently what was meant by that argument, if I could understand it well, was that as time was essential we were to give more time for talks with Russia. We were not to sign this agreement because to sign it would make negotiations with Russia more difficult. We were, therefore, to give time and we were not to sign. I believe I have already said enough

to indicate how utterly unsound that argument seems to be. Mr. Eden makes this point clear when he says:

> Not for a moment do I accept the proposition that if these agreements are recognized, we have to give up hope of solving any of the issues of Europe today which affect soviet Russia . . . I do not believe it for a minute. On the contrary, the fact that they are now in such a hurry to summon a conference that could not possibly meet in the time allotted is an indication of the fact that, if we proceed calmly and steadily with these proposals, we shall have better opportunities for negotiation than we have had for a very long time.

So, Mr. Speaker, I end where I began. We have two dangers and both of them are substantial. I like to think that the German danger is not as great as we imagine it. I like to associate myself with the hon. member for Winnipeg South Centre (Mr. Churchill). In spite of everything that happened during the last war, in spite of the bestialities inspired by Hitler, we all know that in a very real sense the great majority of the people in Germany are people who love and hate the same things that we love and hate.

The other danger is the Russian danger. I do not suppose for one moment that the individual Russians want war any more than we do, but they are in the grip of the forces of despotism. They can be turned to the purposes of a few men who may at any time act with a dreadful irresponsibility toward the human race. It seems to me, therefore, that while recognizing to the full all that has been said by those to the left, we come right back to a simple choice as to which of the two dangers is the greater. I know which I feel is the greater, and I shall vote for the resolution.

Mr. H. W. Herridge (Kootenay West): I rise, Mr. Speaker, to support the views expressed by the hon. member for Winnipeg North Centre so ably and so clearly last evening. Like the hon. member, I am confident that we are expressing the views of thousands of good, solid, patriotic Canadians. I say this because I have had the opportunity of having conversations with supporters of all parties in this house. I have received letters from the supporters of all parties in this house, which indicate that there are large numbers of Canadians who are opposed to this measure because they are sincerely opposed to German rearmament.

The Minister of National Health and Welfare when speaking this afternoon suggested to the house that there might even be enthusiasm in the country for this measure. I think the tenor of this debate has indicated there is no enthusiasm for this measure, because almost every member has expressed his justifiable fears of German rearmament and the possibilities of the future. I know that the communists in Canada are opposed to German rearmament. I know of the campaign they have waged in the country and even in this building. In my opinion that is no reason for my views to be affected.

This afternoon the Minister of National Health and Welfare read into the record a directive issued by the labour progressive party to its members. As the hon. member for Saskatoon (Mr. Knight) suggested he made, I think, a rather unfortunate inference, though he later qualified that statement. I much prefer the attitude of the Minister of Fisheries (Mr. Sinclair) when you come to consider a situation of this nature.

In British Columbia the Liberals, the supporters of the C.C.F. and the labour progressives have expressed opposition to the building of what is known as the Kaiser dam on the lower Arrow lakes. I am informed that the labour progressive party has advised its members to campaign against the building of that dam. This fact does not influence my opinion one bit. I was glad to notice that, according to newspaper reports, it does not influence the opinion of the Minister of Fisheries. In a speech in British Columbia he mentioned that the Liberals, many C.C.F., communists and others opposed the building of the Kaiser dam, but the minister was apparently quite willing to let the issue be settled and dealt with on its merits. We take exactly the same view in a situation such as this.

I fully appreciate the difficulties, doubts and fears which this problem presents to the members of this house. I must say, Mr. Speaker, that along with other members in this group I most sincerely respect the views of those who disagree with us.

My opposition to this resolution is based mainly on two grounds. Personally, I fear the rearmament of Germany. In presenting my case I shall try to deal with the matter on a logical basis, although I am one who has had some experience with unconventional methods of warfare on the part of German militarism.

I oppose this resolution in the second place because I believe, in common with the hon. member for Winnipeg North Centre, that this step will increase the danger of war. I believe it is an irrevocable step in further widening the division between the east and the west.

The hon. member for Greenwood (Mr. Macdonnell)—and I listened to his remarks attentively—said he could not understand why those who voted for NATO cannot vote for this measure, or words to that effect. Mr. Speaker, because one votes for the establishment of a committee on procedure it does not necessarily mean that he is going to vote for all the things that committee does. Consequently I suggest that this is a somewhat different matter from voting in support of NATO, or in support of bringing into NATO recognized western democratic nations.

I think the hon. member for Greenwood said he could not understand why we are opposed to German rearmament and increased strength. In the opinion of those who are opposing the measure we believe the military advantages do not equal the risk. We are of the opinion that if you increase the German military forces by 12 divisions, or whatever the stated number may be, you are simply causing the Soviet bloc on the other side to increase their forces to a similar extent and that therefore, in the long run, you accomplish nothing so far as increased defence is concerned.

The hon. member for Greenwood also suggested that he could not understand our opposing increased armaments, or having our military strength increased; but we believe at the present time we are not negotiating from weakness but rather that we are already negotiating from strength.

My reading of published documents, newspapers, magazines and periodicals, and my study of this whole situation brings me definitely to certain conclusions. And as I have reached a point where I shall have to proceed with my argument, perhaps owing to the time I should now move the adjournment of the debate.

On motion of Mr. Herridge the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris moved the adjournment of the house.

He said: Mr. Speaker, I am sure the house would want to continue this debate on Monday, and in order to conclude it if possible on Tuesday it would be our intention if the debate is concluded on Monday that the Secretary of State for External Affairs would move the adjournment so he might make a proper answer on Tuesday with respect to what has been said. If that occurred we would then on Monday revert to the debate on the address in reply.

Motion agreed to and the house adjourned at 9.55 p.m.

HOUSE OF COMMONS

Monday, January 24, 1955

The house met at 2.30 p.m.

HOUSING

REPORTED RESTRICTION ON LOANS ON HOUSING NEAR AIRPORTS

Hon. Robert H. Winters (Minister of Public Works): On Wednesday last, Mr. Speaker, the hon. member for Nipissing (Mr. Garland) asked a question regarding loans under the National Housing Act on property in the vicinity of airports. Subsequently on Thursday the hon. member for Peterborough (Mr. Fraser) asked the same question. This problem has been under study for some time by officials of Central Mortgage and Housing Corporation.

For the most part, when airports were established they were located in relatively undeveloped areas, but because of the growth of most Canadian communities urban development has surrounded the airport. In recent years there have been marked changes in the size of aircraft and in the type of engines they use. These changes in themselves have a long-term effect on residential property in the vicinity, particularly in the areas at the end of runways.

The Department of Transport already has regulations and many municipalities have their own zoning requirements. Central Mortgage and Housing Corporation must concern itself with the mortgage value of the properties on which they approve loans. After a study of all the aspects of the problem it has been decided that loans under the National Housing Act will not be made available within the rectangular area extending 5,000 feet from the end of a runway, and 1,000 feet on either side of a line that is a projection of the centre line of the runway; nor are loans to be approved within 1,000 feet from the side of a runway.

While the dimensions I have mentioned might at first appear to include large areas, hon. members will realize that in the larger airports there is a considerable distance between the end of the runway and the airport boundary. Similarly, the clearance from the side of a runway to the boundary is fairly extensive.

The restriction I have mentioned will have application to our main commercial airports and some of the military airfields, but will not apply in respect of small or secondary airports which are not likely to be substantially developed in the future. A list of the airports to which these restrictions apply is being worked out between officials of Central Mortgage and Housing Corporation and the Department of Transport so that there will be no misunderstanding in respect of airports to which the restrictions apply.

PRIVILEGE

MR. DIEFENBAKER—REPORTED DECREASE IN WHEAT SHIPMENTS BY CANADA

Mr. J. G. Diefenbaker (Prince Albert): I wish to rise to a question of privilege, Mr. Speaker, arising out of an answer given to me by the Minister of Trade and Commerce (Mr. Howe) on Friday last, a portion of which was inaudible to me. The question appears on page 403 of *Hansard* of January 21, 1955, and reads as follows:

> I should like to direct a question to the Minister of Trade and Commerce arising out of the latest crop report and having to do with the sale of wheat. Why is it that in the first four months of the current crop year Canada's shipments of wheat abroad have dropped compared with increases on the part of the other three great producing countries? Why is it that Canada's share of the over-all market has dropped while the share of three other countries has increased?

The minister replied as follows:

> The facts as stated by my hon. friend are not true.

Now, sir, I wish to refer to a publication by the bureau of statistics. Perhaps the minister misunderstood my question, but if he did not these are the facts according to the latest report issued by the dominion bureau of statistics on January 13, 1955. The answer to the first question is summarized by the Canadian Press as follows:

> All major grain growing countries except Canada showed increased wheat exports in the first four months of the current crop year.
>
> Canada's shipments dropped in the four months by 6,100,000 bushels to 97,300,000 from 103,400,000 last year, the bureau of statistics reported Monday.
>
> United States exports increased to 72,500,000 from 70,000,000; Argentina to 45,200,000 from 43,200,000 and Australia to 26,700,000 from 22,000,000.
>
> Thus, there was a decline in Canada's share of the over-all market with exports from the four countries rising in the four months to 241,700,000 bushels from 238,600,000 last year.

In so far as shipments are concerned, I have before me the bureau of statistics bulletin, volume 24, No. 9, dated January 13, 1955, in which the following appeared. It compares the dollar value of wheat exported from Canada between January and November 1954 as compared to the same period in 1953. It shows that the total amount of wheat exported in that period in 1953 amounted to $530,903,000, as compared to $339,871,000 in 1954, a fall in the dollar value of exports of $191,032 for wheat.

However, one has also to take into account wheat flour in the same period of time. According to the dominion bureau of statistics the exports of wheat flour from Canada fell from $93,590,000 in 1953, that is between January and November, to $81,371,000 for the same period in 1954.

FOOD AND DRUGS ACT

AMENDMENTS RESPECTING BRANDING AND WRAPPING

Mr. E. D. Fulton (Kamloops) moved for leave to introduce Bill No. 8, to amend the Food and Drugs Act.

Mr. Knowles: Explain.

Mr. Fulton: Section 8 of the Food and Drugs Act, Mr. Speaker, provides for the offence of misbranding, and sets forth a number of circumstances and actions which are to be construed as constituting the offence of misbranding. It is the purpose of this bill to add a further subsection which would make it an offence to sell meat products wrapped in any wrapping which contains stripes, printing or other marking of a red or reddish-tinged colour, since it is considered the only purpose of such markings is to mislead the public.

Motion agreed to and bill read the first time.

QUESTIONS

ASSISTANCE TO APPLE GROWERS, N. S.

Mr. Balcom:

1. How much money was disbursed to apple growers in Nova Scotia under the prices support act, during the past season, in respect to apples sold to processors, following hurricane damage in September, 1954?
2. What was the average cost to the government per bushel?

Mr. McCubbin:

1. Under the authority to buy apples at 90 cents per bushel of 45 pounds, the agricultural prices support board paid $967,831.51 up to December 31, 1954. These apples were resold for processing purposes and sales returns are still incomplete since they are based on utilization of the apples.

2. See answer to No. 1.

DISASTER PAYMENTS, N. S.—HURRICANE DAMAGE

Mr. Balcom:

How much money was paid out of the disaster relief fund to take care of hurricane damage in Nova Scotia, to (a) standing timber; (b) fishing boats, gear and equipment; (c) buildings and other property?

Mr. Benidickson:

The Canadian Disaster Relief Fund Incorporated is not a government agency. Accordingly, any amounts paid by the fund are not of government record.

J. O. RAWLUK

Mr. Bryson:

1. Is J. O. Rawluk now in the employ of the federal government?
2. If so, on what date did his employment commence and in what department of government is he employed?
3. What is his present address?
4. At what salary is he now employed and what has he received to date in the way of travelling, sustenance and any other expense allowance?

Mr. Blanchette:

1. Yes.

2. On March 22, 1954, he was assigned by the civil service commission to a clerical position in the Department of National Defence.

3. The address given in departmental records is 1120-10th avenue, Regina, Saskatchewan.

4. $2,160 per annum. To date he has not received any travelling or other allowances.

COAL EXPORTS TO UNITED KINGDOM

Mr. Hansell:

How much coal, in tons and dollar value, was exported from Canada to the United Kingdom during 1953 and 1954 respectively, or in 1954 as far as records are available?

Mr. Dickey:

1953—none.

1954, January to November inclusive—none.

CHEESE IMPORTS AND EXPORTS

Mr. Boisvert:

1. How many pounds of cheese were imported in 1950, 1951, 1952, 1953 and 1954 from Great Britain, France, Holland, Switzerland, Italy and New Zealand?
2. What was the value for each year of the imported cheese from the above mentioned countries?
3. How many pounds of Canadian cheese were exported to the same countries for the same years?
4. What was the value of our exported cheese to those countries?

Mr. Dickey:

1, 2, 3 and 4:

IMPORTS OF CHEESE FROM SPECIFIED COUNTRIES DURING THE YEARS 1950 TO 1954

Country	1950		1951		1952		1953		January 1, to October 31, 1954	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
	lb.	$	lb.	$	lb.	$	lb.	$	lb.	$
United Kingdom	12,054	8,749	11,973	9,121	18,307	13,959	15,249	10,861	10,786	5,685
France	49,046	33,895	42,281	28,082	74,544	43,614	82,507	42,628	195,717	104,246
Holland	136,557	56,872	416,845	157,260	731,244	302,853	662,554	266,738	627,129	240,890
Switzerland	1,591,526	1,202,230	2,427,295	1,725,370	2,666,844	1,728,956	1,968,549	1,273,230	1,197,746	718,172
Italy	447,305	255,508	565,196	286,801	972,727	470,734	1,004,021	533,092	777,579	400,849
New Zealand	6,611,300	1,556,738	6,471,394	1,671,881	5,958,925	1,652,886	—	—	—	—

EXPORTS OF CHEESE TO SPECIFIED COUNTRIES DURING THE YEARS 1950 TO 1954

Country	1950		1951		1952		1953		January 1, to November 30, 1954	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
	lb.	$	lb.	$	lb.	$	lb.	$	lb.	$
United Kingdom	59,239,800	15,072,739	27,151,700	8,718,302	148,300	47,641	14,805,100	3,868,688	2,731,700	792,934
France	—	—	—	—	—	—	—	—	—	—
Holland	—	—	—	—	—	—	—	—	—	—
Switzerland	—	—	—	—	—	—	—	—	—	—
Italy	67,000	20,100	—	—	—	—	—	—	—	—
New Zealand	—	—	—	—	—	—	—	—	—	—

Questions

CIVIL SERVICE PENSIONS

Mr. Knowles:

1. How many retired civil servants are receiving pensions of amounts within each of the following brackets: (a) less than $20 per month; (b) $20.00 to $29.99 per month; (c) $30.00 to $39.99 per month; (d) $40.00 to $49.99 per month; (e) $50.00 to $59.99 per month; (f) $60.00 to $69.99 per month; (g) $70.00 to $79.99 per month; (h) $80.00 to $89.99 per month; (i) $90.00 to $99.99 per month; (j) $100 per month and over?

2. How many widows of retired civil servants are receiving pensions of amounts within each of the brackets indicated in the above question?

3. What is the number of retired federal civil servants and also the number of widows of retired federal civil servants presently residing in each province?

Mr. Benidickson:

1 and 2.

Per month	Retired Civil Servants	Widows
(a) less than $20.00	344	1,071
(b) $20.00 to $29.99	551	1,046
(c) $30.00 to $39.99	734	955
(d) $40.00 to $49.99	854	815
(e) $50.00 to $59.99	804	661
(f) $60.00 to $69.99	869	416
(g) $70.00 to $79.99	876	294
(h) $80.00 to $89.99	930	188
(i) $90.00 to $99.99	869	133
(j) $100.00 or over	5,302	306
	12,133	5,885

3.

	Retired Civil Servants	Widows
Newfoundland	71	24
Nova Scotia	454	225
Prince Edward Island	63	30
New Brunswick	289	178
Quebec	2,113	1,231
Ontario	5,367	2,753
Manitoba	548	253
Saskatchewan	287	111
Alberta	552	205
British Columbia	2,060	666
Elsewhere	329	209
	12,133	5,885

HURRICANE LOSSES—DOMINION CONTRIBUTION

Mr. Smith:

What amount has the government of Canada contributed to relief or rehabilitation of those in Ontario who suffered damage and loss in the hurricane and flood of October, 1954?

Mr. Benidickson:

No payments have been made to date by the government of Canada to relief or rehabilitation of those in Ontario who suffered damage and loss in the hurricane and flood of October, 1954.

[Mr. Dickey.]

UNEMPLOYMENT PERCENTAGES

Mr. Boisvert:

1. What was the percentage of unemployment with regard to the population of Canada at the end of each of the years 1950, 1951, 1952, 1953 and 1954?

2. For the same years what was the percentage of unemployment with regard to the total employment?

Mr. Gregg:

——	Labour Force Survey Without Jobs and Seeking Work as % of Population (1)	Nat'l Employment Service Applications for Employment as % of Population (1)
Dec. 14, 1950(2)	—	2·1
Dec. 13, 1951(2)	—	2·4
Dec. 13, 1952	1·3	2·4
Dec. 12, 1953	1·9	3·3
Dec. 11, 1954	2·4	3·5

(1)—Population figures refer to persons 14 years of age and over in civilian non-institutional categories.

(2)—No labour force survey data available for December in 1950 and 1951.

——	Labour Force Survey Without Jobs and Seeking Work as % of Civilian Labour Force	Nat'l Employment Service Applications for Employment as % of Civilian Labour Force
Dec. 14, 1950	—	4·0
Dec. 13, 1951	—	4·5
Dec. 13, 1952	2·5	4·5
Dec. 12, 1953	3·6	6·4
Dec. 11, 1954	4·6	6·7

TELEVISION ADVERTISING

Mr. Dufresne:

1. Does the Canadian Broadcasting Corporation control advertising over its television network?

2. Is the corporation of the opinion that on the Jackie Gleason show, televised every Saturday night to Canadians, commercials sometimes overrate the quality of products advertised?

3. If so, will the Canadian Broadcasting Corporation take steps to protect Canadian listeners from misleading advertising?

Mr. McCann:

The Canadian Broadcasting Corporation advises that:

1. It has a right to reject any advertising.

2. It has not an opinion as to whether commercials on the Jackie Gleason show sometimes overrate the quality of products advertised.

3. It does not and cannot guarantee all statements made by advertisers, but will consider evidence that advertising is misleading, discuss the matter with the advertisers, and if found necessary reject advertising.

ST. LAWRENCE POWER PROJECT

Mr. Coldwell:

What precautions have been taken by the federal government to ensure that in the construction of the St. Lawrence seaway and power project the federal government will not directly or indirectly or, in effect, subsidize in any degree the development of hydroelectric power?

Mr. Langlois (Gaspe):

The precautions taken by the federal government are to be found in the agreement of December 3, 1951, between the government of Canada and the government of Ontario as set out in the schedule to the International Rapids Power Development Act, chapter 157 of the Revised Statutes of Canada, 1952, in the application of the government of Canada to the international joint commission dated June 30, 1952 as approved by the order of the international joint commission dated October 29, 1952 and in the exchange of notes of June 30, 1952 between Canada and the United States.

TARIFF REAPPRAISALS

Mr. McCullough (Moose Mountain):

1. How many commodities have been reappraised for tariff duties since Bill 29 became effective?
2. What are the values of the various commodities so reappraised?

Mr. McCann:

1. Four—viz.: Textile fabrics; garments; other textile manufactures; refrigerators.

2. Textile fabrics	$ 83,353.00
Garments	3,478.00
Other textile manufactures	591.00
Refrigerators	49,425.76
	$136,847.76

H.M.C.S. CEDARWOOD

Mr. Pearkes:

1. Was H.M.C.S. *Cedarwood* recently damaged while at sea off the coast of British Columbia?
2. If so, what was the nature of the damage sustained?
3. Is H.M.C.S. *Cedarwood* a wooden-hulled vessel?
4. When was she first commissioned, and on what date was she acquired by the Royal Canadian Navy?
5. On what service was H.M.C.S. *Cedarwood* engaged when damaged?
6. Has H.M.C.S. *Cedarwood* been involved in any accidents during the past five years necessitating repairs to her bow and/or stern?
7. If so, did any damage done during such accidents directly or indirectly weaken the hull of the vessel other than in the area immediately damaged?
8. Was H.M.C.S. *Cedarwood* considered seaworthy in all respects, both for service in protected waters and also in the open ocean, when she left Esquimalt on her last voyage?
9. What crew and other personnel were aboard H.M.C.S. *Cedarwood* when she was damaged?
10. What was the value of the scientific equipment on board H.M.C.S. *Cedarwood* when damaged?
11. Is H.M.C.S. *Cedarwood* to be continued in the oceanographic survey service, or is she to be replaced?

Mr. Blanchette:

1. Yes.

2. During a severe storm a cement seam filler in the hull weathered away causing a leak although the caulking was sound.

3. Yes.

4. Acquired in June 1947 and commissioned 22 September 1948.

5. Oceanographic research.

6. In April, 1953 H.M.C.S. *Cedarwood* suffered a slight collision with the caisson while entering dry dock which damaged her stem post.

7. No.

8. Yes, within the limits imposed by her size.

9. Three naval officers, thirty-three other ranks and five scientists were aboard.

10. Approximately $100,000.

11. The question of replacing H.M.C.S. *Cedarwood* is being studied by the defence research board and the Royal Canadian Navy. She will continue to be employed on oceanographic research for the present.

JAPANESE WAR CRIMINALS

Mr. Pearkes:

1. Have the sentences of Japanese war criminals Colonel Isao Tokunaga and Captain Shunkicki Saito been reduced recently?
2. If so, what was the original sentence, and what reduction in that sentence has now been granted?
3. What were the grounds for the reduction of sentence, if any reduction has been made?
4. Where are these persons at present serving their sentence?
5. On whose authority was any reduction in their sentence made?

Mr. Blanchette:

As Colonel Tokunaga and Captain Saito are war criminals who were tried, convicted and sentenced by United Kingdom authorities, the following information has been obtained from United Kingdom sources:

1. (a) Colonel Isao Tokunaga: No
   (b) Captain Shunkicki Saito: Yes.

2. Captain Saito was sentenced to death in November 1946 by the military war crimes commission in Tokyo. This sentence was commuted on 13 February 1947 to 20 years imprisonment by the general officer commanding, China command, in his capacity as confirming officer. In July 1953 Captain Saito's sentence was reduced to 15 years imprisonment.

Questions

3. The reduction of sentence from 20 to 15 years imprisonment was made on the grounds that Captain Saito had acted under orders and that, therefore, his responsibility was of an intermediate nature.

4. Sugamo prison, Japan.

5. The counsellors of state of the United Kingdom acting on behalf of Her Majesty the Queen approved the recommendation for reduction of sentence made by the war office review board.

PACIFIC GREAT EASTERN RAILWAY

Mr. Leboe:

1. Has the dominion government received any request from the British Columbia government, asking for assistance for the extension of the Pacific Great Eastern Railway?

2. If so, what was the nature of the request and what action was taken by the dominion government?

Mr. St. Laurent:

1. Yes.

2. A brief was submitted to the federal government on December 14, 1953, by the government of British Columbia, included in which was an offer to sell a half share or all of the Pacific Great Eastern Railway. In addition, in a letter from Premier W. A. C. Bennett dated May 18, 1954, the federal government was asked to share in the costs of a proposed extension of the railway. This letter was acknowledged and a request was made to the provincial government for sufficient information to assist in forming a conclusion about the economic justification of the northerly extension of the line. Some information has been provided but it was not considered sufficient to enable a decision to be reached. Therefore, the federal government has continued to collect data in order to determine whether federal assistance for the extensions of the Pacific Great Eastern line would be justified at the present time.

SHAUGHNESSY VETERANS HOSPITAL

Mr. Goode:

Is any thought being given, by the Department of Veterans Affairs, to decentralization of hospital facilities at Shaughnessy hospital?

Mr. Bennett: No.

CHILDREN OF WAR DEAD—TRAINING

Mr. Schneider:

1. How many applications have been received and approved since the inception of the legislation providing for training assistance to children of the war dead?

2. As of December 31, 1954, (a) how many are in training; (b) how many have already completed training; (c) how many have failed or withdrawn from their courses?

[Mr. Blanchette.]

3. Does the department provide a counselling service for the mothers and potential applicants and for those who have failed or withdrawn from their courses?

4. In what courses are the students being assisted?

5. Has the response to this legislation met the department's preliminary estimates?

Mr. Bennett:

1. From July 1, 1953 to December 31, 1954: 484.

2. (a) 368; (b) 45; (c) failed 14, withdrawn 15. Of 42 deferred cases, 25 are repeating courses at their own expense.

3. Yes. In each of the departmental districts a record of potential applicants is maintained. Beginning at the secondary school level, veterans welfare officers counsel the mother and the child towards a firm educational program. The counselling service continues into the higher educational levels regardless of the child's academic achievements.

4. Assistance is being, or has been, given in 46 different courses: Accountancy; Actuarial science; Agricultural science; Architecture; Arts; Biology; Botany; Business administration; Chemistry; Chiropractics; Commercial art; Criminology; Dentistry; Dietetics; Economics; Electronics; Engineering; Food analysis; Foreign service; Geology; Interior decorating; Journalist; Laboratory technician; Law; Library science; Medicine; Mining technician; Music; Nursing; Occupational therapy; Pharmacy; Photography; Physics; Physiotherapy; Psychology; Pure science; Radio and television; Radiography; Radiology; Research; Science; Secretarial; Social worker; Teaching; Theology; Veterinary.

5. Yes.

PURCHASE OF GARLAND BUILDING, OTTAWA

Mr. Tustin:

1. Has the government sold the premises in Ottawa generally described as "the Garland building"?

2. If so, when was the sale made, what are the price and payment terms of such sale, and who was the purchaser?

3. Did the government, subsequent to the sale, lease the property, and if so, to whom was it leased, for what period was the lease, and at what annual payment?

4. How much did the government, previous to such sale, spend for alterations and repairs including the installation of new elevators?

5. Was any part of such alterations done on a cost-plus basis, and if so, what part and at what cost?

Mr. Bourget:

1. No, this building was never owned by the government.

2 to 5. Answered by No. 1.

MONTREAL NEUROLOGICAL INSTITUTE—FEDERAL GRANTS

Mr. Richardson:

1. Has any assistance been given to the neurological institute, Montreal, by the federal government under the health grants program?
2. If so, what amounts have been paid to the institute and for what purpose?

Mr. Robertson:

1. Yes.

2. $663,550 has been paid to the province of Quebec on behalf of the Montreal neurological institute, for the following purposes: purchase of scientific and technical equipment, $450,378; construction of 130 neurological beds, $167,160; support of research projects, $46,012. Approval has recently been given for an additional $31,761.20 to provide for the purchase of technical and scientific equipment, for use in the newly constructed McConnell wing of the institute.

POST OFFICE SITE, ROTHESAY, N.B.

Mr. Brooks:

1. Has the Department of Public Works purchased a site for the erection of a new post office building at Rothesay, New Brunswick?
2. If so, from whom was the site purchased, and what was the price paid?
3. Were there any offers by other parties for the sale of land for this purpose?
4. If so, what were the names, and the amounts asked in each case?

Mr. Bourget:

1. No, but negotiations under way.

2, 3 and 4. Answered by No. 1.

INCOME TAX APPEAL NO. 227

Mr. Knowles:

1. Has the appellant in income tax appeal board case No. 227, which was heard in November, 1954, as an individual, through the company represented in case No. 227, or through any other company, at any time had any contracts with the federal government, or any department or agency thereof?
2. If so, were any such contracts connected with construction projects?
3. Were any such contracts connected with the supplying of goods?
4. Were any such contracts, either construction projects or the supplying of goods, related to national defence?

Mr. McCann:

Since the delivery of the judgment of Mr. W. S. Fisher, member of the income tax appeal board, in the case of No. 227 appellant, and the Minister of National Revenue, respondent, held in camera, the minister who was a party to the proceedings had a check made as to whether at any time since the appellant company purchased the property referred to in the judgment, the federal government had awarded any contract of any kind to the appellant company or to its subsidiary referred to in the judgment. It was found that during this period the federal government had not awarded any contract whatever to the said appellant company or to its subsidiary.

QUESTIONS PASSED AS ORDERS FOR RETURNS

RESEARCH EXPENDITURES

Mr. Murphy (Lambton West):

What was the amount spent on research by each department of the federal government during the calendar year 1954?

Mr. Pickersgill: Mr. Speaker, if this question could be amended as I think it is intended to read, so that it would deal with scientific research, it could be passed as an order for return.

Mr. Speaker: Order for return.

ADVERTISING EXPENDITURES

Mr. Murphy (Lambton West):

1. What was the amount spent for advertising by each department of the government during the calendar year 1954?
2. What advertising firms were employed?
3. What was the amount paid each advertising firm?

PUBLIC SERVICE—EMPLOYEES

Mr. Murphy (Lambton West):

As of December 1, 1954—

1. How many employees were in the service of each department of government?
2. How many persons were in each branch of the armed services?
3. How many civilians were employed by each of these branches?

CIVIL DEFENCE—PROVINCIAL ALLOTMENTS

Mr. Pearkes:

1. What sums of money were allocated to each province, during the current fiscal year under the civil defence financial assistance program?
2. What amounts have been taken up by each province against these amounts?
3. On what dates were the first payments made to the various provinces?

DEPARTMENTAL MOVES, CALGARY TO EDMONTON

Mr. Harkness:

1. What branches of government departments, if any, have been moved from Calgary to Edmonton within the last six months?
2. What branches of government departments, if any, is it proposed to move from Calgary to Edmonton during the next six months?
3. What is the reason for these moves?
4. Will the branches which have been moved or are to be moved go into government-owned office space or will office space have to be rented for them?

MOTIONS FOR PAPERS

SOUTH SASKATCHEWAN IRRIGATION PROJECT

Mr. Diefenbaker:

For a copy of all correspondence, letters, telegrams and other documents exchanged since the 1st day of May 1954, between any department of government and the governments of Saskatchewan, Alberta and Manitoba, relative to the South Saskatchewan dam and irrigation project.

Mr. St. Laurent: Mr. Speaker, of course it is understood in connection with all these motions for the production of correspondence with other governments that this government will communicate with them, and will file the papers after having obtained their consent.

Mr. Speaker: Motion agreed to.

FARM PRODUCTS—UNITED STATES EMBARGOES

Mr. Diefenbaker:

For a copy of all correspondence, letters, telegrams and other documents since the 1st day of May 1954, that have passed between any department of the federal government and the government of the United States regarding the application or imposition by the government of the United States of embargoes, in whole or in part, against import into the United States of Canadian farm products.

Mr. Pearson: Mr. Speaker, this motion concerns diplomatic correspondence with a foreign government, and deals with negotiations which are still in progress. Therefore I think that, according to the well established practice of the house, it is privileged, and it would not be possible to bring the information down at this time. I am hoping therefore that the order can be dropped.

Mr. Diefenbaker: Would the minister allow the matter to stand?

Mr. Speaker: The hon. member must have unanimous consent to intervene at this point. Has he consent to ask a question of the Secretary of State for External Affairs?

Some hon. Members: Agreed.

Mr. Diefenbaker: I would like to ask if my hon. friend would allow it to stand.

Mr. Pearson: Yes; I have no objection to that, so long as it is quite clear that in the circumstances I have mentioned it would not be possible to produce the papers.

Mr. Speaker: Then, under the circumstances, would it not be better just to have the motion dropped?

Motion dropped.

L. B. THOMSON

Mr. Diefenbaker:

For a copy of all correspondence, since the 1st day of June 1954, which has passed between any department of government and Mr. L. B. Thomson, relative to his attempted resignation as director of P.F.R.A.

FRUITLANDS IRRIGATION DISTRICT, B. C.

Mr. Fulton:

For a copy of all letters, telegrams and other documents exchanged between the dominion government or any department or agency thereof and the government of British Columbia and any other person or persons, since January 1, 1952, regarding the renovation, etc. of the irrigation system of the British Columbia fruitlands irrigation district.

Mr. St. Laurent: This is of course subject to the same observations I made a moment ago, it being correspondence with the government of British Columbia.

Mr. Fulton: Mr. Speaker, I wonder if I may ask the Prime Minister whether the effect of the statement he made a moment ago is that the government of any province has the right to veto what may be produced in this house.

Mr. St. Laurent: It is a matter of courtesy which, to my knowledge, has always been observed in connection with correspondence between this government and some other government, and I think it is on the understanding that such courtesy is extended that the correspondence does take place.

Mr. Fulton: I understand that, and it is a matter of obvious courtesy that the provincial government should be informed; but I am wondering if we have gone beyond what I understood to be the rule of courtesy—a rule to which I subscribe—and have placed in the power of a provincial government the right to veto what will be produced in the House of Commons of Canada.

Mr. St. Laurent: I do not think so. After communication with a provincial government, to my knowledge the situation to which the hon. member refers has never occurred—and I do not think it is apt to occur. However, if it did occur the matter would be reported to the house, and the house could deal with the situation in the light of the facts as they would then appear.

Mr. Fulton: That is the point I wished to have established.

Some hon. Members: Order.

Mr. Speaker: Carried, subject to the reservation made by the Prime Minister.

WATER RESOURCES—ARROW LAKES DAM

Mr. Byrne:

For a copy of all communications between the federal government and the government of British Columbia, relating to and resulting from the application of the Kaiser Aluminum company of America to build a low level storage dam on the

Arrow lakes at Castlegar, in the province of British Columbia, along with a copy of all correspondence exchanged between the international joint commission, Canadian section, and the federal government or government of the province of British Columbia, with respect to this matter.

Mr. Pearson: Mr. Speaker, the first part of this order deals with communications with the government of British Columbia, and I am informed there are no such communications. The second part deals with communications, not of an agency of the federal government, but of an international agency. And, again, following the well established practice of the house, I suggest that such correspondence of an international agency cannot be produced here, and that therefore the motion should be dropped.

Mr. Speaker: Dropped.

HIGHWAY CONSTRUCTION, BRITISH COLUMBIA

Mr. Goode:

For a copy of all correspondence, letters, telegrams and other documents since the 1st day of January, 1954 exchanged between the federal government and the government of British Columbia relative to the Oak street bridge and a proposed highway from Vancouver, through Richmond, to the United States.

Mr. Winters: This will be subject, Mr. Speaker, to the reservation the Prime Minister has already referred to.

Mr. Speaker: Subject to the statement made by the Minister of Public Works, the motion is carried.

PRAIRIE FARM REHABILITATION ACT AMENDMENT

Mr. Zaplitny:

For a copy of all correspondence, telegrams, memoranda and/or other communications exchanged between the Department of Agriculture or the minister, and the governments of Manitoba, Saskatchewan, Alberta and British Columbia, or any minister thereof, since January 1, 1954, dealing with the question of amendments to the Prairie Farm Rehabilitation Act.

D. R. BISHOP

Mr. Knowles:

For a copy of all correspondence exchanged between the Post Office Department or any officers thereof and Mr. D. R. Bishop, dated at any time since June 1, 1950.

Mr. Kirk (Shelburne-Yarmouth-Clare): I discussed the matter with the hon. member for Winnipeg North Centre. In order that it may not be necessary to search thousands of files to discover whether or not there may be a letter, I think we agreed that there should be inserted after the word "Bishop" the following phrase: "concerning post offices and rural routes in the county of Carleton, New Brunswick."

Mr. Speaker: Motion as amended agreed to.

Inquiries of the Ministry

PURCHASE OF PROPERTY, SARNIA

Mr. Murphy (Lambton West):

For a copy of all correspondence, letters, telegrams and other documents exchanged between the Department of Transport and/or the Canadian National Railways and Messrs. W. C. Nelson and D. F. Stonehouse, since May 1, 1953 to date, with respect to property in Sarnia or Point Edward purchased by W. C. Nelson and D. F. Stonehouse.

Mr. Marler: I ask the hon. member whether he would let this motion stand.

Mr. Murphy (Lambton West): Yes.

Mr. Speaker: Motion stands.

CANADIAN NATIONAL RAILWAYS

REPORTED REMOVAL OF FOUNDRY FROM TRANSCONA SHOPS TO MONTREAL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Minister of Transport? Is the minister aware of the steps being taken by the Canadian National Railways to move the foundry from the Transcona shops, at Winnipeg, to Montreal? In view of what this means to the employees affected, and in view of the central location of the Transcona shops, in Canada, will the minister ask the Canadian National to reconsider this move?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I regret I received notice of this question only a few minutes before entering the house. I shall take the hon. member's question as notice and reply at an early date.

NATIONAL DEFENCE

REFERENCE TO RECENT OCCURRENCE ON H.M.C.S. "MAGNIFICENT"

On the orders of the day:

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Is the Minister of National Defence prepared to give the house any more information than has appeared in the press in respect to the unfortunate incident which developed on H.M.C.S. *Magnificent*?

Hon. R. O. Campney (Minister of National Defence): I have of course received some information. I do not know that I have as yet complete information. In any event, the navy has instituted a board of inquiry which I believe commenced sitting today. I do not think it would be desirable or proper for me to comment on the matter while the board is holding its hearings and producing its findings. I might say, in view of the references in the press generally, that the consumption of alcohol on navy ships is not permitted to

men except under two circumstances: One, they receive a rum ration if they are 20 years old and if they want it. If not, they get a cash allowance in lieu of it. Second, on very rare occasions in the tropics the captain of a vessel may allow the canteen to sell in individual bottles a limited amount of beer, which has to be opened in the canteen and cannot be taken away unopened. The stringency of the regulations governing the consumption of alcohol on ships is I think another reason why I should not make any comment on such information as I have been able to gather until the board of inquiry has established the facts.

FISHERIES

FALSE CREEK, B.C.—APPLICATION FOR WATER LOT RIGHTS

On the orders of the day:

Mr. J. L. MacDougall (Vancouver-Burrard): I should like to direct a question to the Minister of Public Works, of which I have sent him notice. On what date did the dominion government apply for water lot rights on False creek, Vancouver? When may the seining fishermen anticipate the completion of the mooring dock for their boats?

Mr. Speaker: This question is of a local character, which could be put on the order paper. However, if the minister is ready to reply, since he has received notice, I will leave it to him; but normally these questions should be put on the order paper.

Hon. Robert H. Winters (Minister of Public Works): I have received notice, for which I am grateful, and I have a reply. For some considerable time our district officials have been negotiating with officials of the British Columbia government for a water lot to build a 180-berth fishing harbour. Plans were prepared accordingly. We have been ready for some time to invite tenders for such a project.

In October last, the British Columbia government informed us they were unable to make available a water lot of the size required, but would arrange for a smaller lot. We have exchanged correspondence since that date in an effort to obtain the larger lot, but have now decided with the concurrence of the Minister of Fisheries to proceed with a project of approximately 150 berths. Plans are being redrawn and we expect to be able to invite tenders within the next eight weeks.

[Mr. Campney.]

INCOME TAX

PROVINCIAL REPLIES TO PRIME MINISTER'S LETTER OF JANUARY 14

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Prime Minister. Have all provinces replied to the Prime Minister's letter of January 14, and has any province indicated that it desires to accept the option to its tax agreement, as set forth in the letter?

Right Hon. L. S. St. Laurent (Prime Minister): To the first question the answer is no. There have been some acknowledgments but not yet from all the premiers. To the second part of the question, the answer is that no provincial government has indicated any desire to avail itself of the option mentioned.

EXTERNAL AFFAIRS

FORMOSA—REQUEST FOR STATEMENT ON PRESENT SITUATION

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Secretary of State for External Affairs. Is he in a position to say something about the situation in Formosa and the islands adjacent to the Chinese mainland? Is Canada taking any stand to have the United Nations bring about a cease-fire? In any event, is the minister able to give some assurance to the Canadian people regarding the apparently perilous situation existing there?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, the hon. gentleman's question deals with a very serious matter. I do not think I should attempt to reply to it without careful consideration. Therefore I shall take his question as notice and hope to be able to say something, possibly tomorrow.

BRITISH COMMONWEALTH

REQUEST FOR COMMENT ON TOPICS TO BE DISCUSSED AT CONFERENCE

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): I wish to address a question to the Prime Minister, of which I have given him notice. Will the Prime Minister comment on the Reuters report appearing in the Ottawa *Evening Journal* of January 22, to the effect that among the topics to be discussed at the commonwealth conference are the economic

and trading problems of the sterling area, to which all commonwealth countries except Canada belong?

Right Hon. L. S. St. Laurent (Prime Minister): No doubt the discussions among the prime ministers of commonwealth countries will include some consideration of international and economic questions, since these represent an important aspect of the world situation. There is no indication of which I am aware that they will be particularly considering the specific subject mentioned in this newspaper report.

NORTH ATLANTIC TREATY

APPROVAL OF PROTOCOL ON ACCESSION OF FEDERAL REPUBLIC OF GERMANY

The house resumed, from Friday, January 21, consideration of the motion of Mr. Pearson:

That it is expedient that the houses of parliament do approve the protocol to the North Atlantic treaty on the accession of the Federal Republic of Germany, signed by Canada at Paris on October 23, 1954, and that this house do approve the same.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in continuing my remarks on this resolution, commenced last Friday evening, I rise to support the views expressed by the hon. member for Winnipeg North Centre, (Mr. Knowles) and for similar reasons, which he so clearly outlined to the house at that time. Like him, I am confident that we are expressing the views and fears of many good and patriotic Canadians. Letters I have received, conversations I have had with many people who are supporters of all parties in this house, clearly indicate very strong opposition in Canada at this time to German rearmament. At best, Mr. Speaker, there is no enthusiasm in the house or in the country.

I fully appreciate the difficulties, the doubts, the fears that this problem presents to hon. members, and I sincerely respect the views of those who do not agree with me. In fact, Mr. Speaker, I think the level, the tenor, of this debate is a good indication of the firmness and strength of our democratic and parliamentary institutions.

My opposition to this resolution is based mainly on two grounds: First, my fear of a rearmed Germany. I am afraid, as are many Canadians, of what a rearmed Germany herself may do in the future. Second, that in this step we will increase the danger of war because it is an irrevocable step, deepening the division, as I see it, between the east and the west.

My fears of German rearmament and the fears of a good number of Canadians stem from the evidence that nazi elements are still too strong in Germany to place arms in their hands and the further danger of the revival of Prussian militarism, not necessarily associated with nazism. I have done my best to study every aspect of this problem and to read the opinions of those qualified to assess this situation. I have read a great deal on the subject and heard the opinions of those who speak with some experience and some knowledge of it, and in support of my argument I want first of all to quote from the Toronto *Daily Star* of September 29, 1954, the reported opinions of Rabbi Abraham Feinberg of Holy Blossom Temple, a powerful and highly respected figure in the Jewish community in Canada. The article, which is entitled "Lessons of History Flouted if Germany Rearmed—Feinberg", reads:

Rabbi Abraham Feinberg of Holy Blossom Temple charged today that in rearming Germany the west "flouts the bitter lessons of recent history" and that the treatment by the western powers of Israel as compared with Germany "is a shocking example of human error, a tragic betrayal of the ideals for which vast blood and treasure were spent in world war II, and a dire threat to peace".

"In the 1930's", he said, "western policy makers, urged by London, acquiesced in Germany rearming, as a defence against communism—with the ultimate and evil fruit of Hitlerism and unparalleled slaughter. Now, in the 1950's, western leaders, for the same reason, are being pressed by the U.S. into the same deadend of illusion, self-deception and fateful peril for all mankind".

Referring to nazi atrocities in world war II, Rabbi Feinberg said, "It would be suicidal to forget the bestiality of German nazis . . . the blithe, optimistic, carefree romance of the western powers with West Germany is a travesty on mature political thinking and a form of self-inflicted blindness which can lead all humanity to an abyss".

He said that many former top nazis now hold positions of influence in West Germany and named the following. Dr. Schroeder, federal minister of the interior, (formerly a member of the S.A. and legal adviser to Schacht); Dr. Theodor Oberlander, minister of refugee affairs, (who was an S.S. major until 1953, when he fell out with Himmler); Dr. Victor Emanuel Preusker, minister of housing, (an S.S. instructor on race relations); Hans Globke, state secretary of the federal chancellery, (who wrote the official commentary on the Nuremberg racial laws): Waldemar Kraft, minister without portfolio, (who did much to pave the way for Hitler's invasion of Poland).

The growth of new nazi splinter groups, the numerous articles in West German papers glorifying nazi leaders, the Nauman plot exposure, the prolonged campaign for the release of "martyred" war criminals, the frequent desecration of Jewish cemeteries and the belligerent diatribes of ultra-nationalist spokesmen—all these ominous developments do not support Dr. Adenauer's assertion that there has been no nazi revival in Germany. Throughout provincial and federal governments nazi membership is now practically a qualification for a position of public trust.

Adenauer may soon become a venerated, powerless "wooden statue", like old man Hindenburg before Hitler, and the itch to retrieve heroic Teuton horror will soon be stirring in the German "superman's breast". Rabbi Feinberg stated.

"The German 'problem child' is of special concern to Jews", he said. The massacre of six million Jews by the nazis raised our casualties in world war II to a proportion of 25 per cent—far higher than those of any other people. We are entitled to feel intensely about the trend of moral and spiritual development in postwar Germany. He said he was "keenly conscious" of the threat to the west of "the possible plans of the Kremlin for world domination". But the Russian threat is compounded by the danger which arises from a renascent and rearmed Germany.

Western civilization, under the pressure of U.S. foreign policy, seems willing to sacrifice Germany's moral rehabilitation in order that she might be converted into an armed fortress against the Soviet union. From the strict viewpoint of religion and its eternal mandate to evoke the best in human beings, such a program cannot be upheld. "As a practical strategy in a hard and bitter struggle for existence, it is a grave risk", he said.

These are the views of a thoughtful leader of unquestioned integrity which merit the greatest consideration and respect. He states facts that have a great bearing on this problem. Furthermore, I am one who is disturbed by the fact that war criminals are receiving rousing welcomes on their return to their homes by a certain section of the German population. I am also disturbed to know that war criminals are receiving pensions for life, including the time they have spent in jail. The time they have spent in jail is considered as time spent in the service of Germany.

Even the text of the final act of the London conference gives some cause for concern. There is a section headed "German Declaration—Voluntary Limitations." This is section 15 and it reads:

That the federal republic undertakes not to manufacture in its territory any atomic weapons, chemical weapons, or biological weapons, as detailed in paragraphs I, II and III of the attached list.

The phrase "in its territory" is repeated in several places. To me those are ominous words. What about the plants being built at the present time by German industry in Spain, in Turkey and with the possibility of plants being built in North Africa. I cannot remember the source, but I have read of a possibility of Krupps coming to Canada. I hope to God they never do. That is one of the points in this document I would like the minister to explain, because the words "in its territory" do not appear to me to offer much hope of limiting German armaments.

Another fact which causes me great concern is what is contained in the text of documents agreed on by the conference of ministers held in Paris, October 20-23, 1954, and published by Her Majesty's stationery office. A footnote explanation is given in connection with protocol No. II on the forces of western European union, article 1, clause (a). This footnote does not appear in our document and it reads:

The special agreement annexed to the European defence community treaty is not a published document. Authoritative German statements have, however, confirmed that the levels laid down for the German contribution to European defence community were as follows: Army—12 divisions; Air force—a tactical air force of about 1,350 aircraft; Navy—light coastal defence and escort vessels.

What disturbs me is the fact that in a document published by Her Majesty's stationery office and laid on the table of the British House of Commons the authoritative information had to come from German sources. Furthermore, I think that there is in these arrangements another great difficulty which concerns many of us. The main hope for tight control lies not in NATO but in the Brussels treaty for western European union and Canada is not a member of that union.

I have read as widely as possible and I want to quote here from a source which I think is well worthy of consideration. I wish to quote from an article entitled "The Dangers of German Rearmament" by Professor C. R. Hiscocks of the University of Manitoba, appearing in *Canadian Business* of November 1954. He can certainly speak with knowledge and from experience. For the information of the house, Professor Hiscocks has been associated over the past twenty years with various international organizations. British-born Professor Hiscocks joined the staff of the Royal Institute of International Affairs, London, in 1935. He spent five years of war service in the Middle and Far East, Crete and Germany, and then joined the British military government in Germany for one year. The next five years he was British council representative first in Austria and later in India. Since 1950 he has been at the University of Manitoba as professor of political science. In 1953 he was United Kingdom representative on the UN subcommission on the prevention of discrimination and protection of minorities. He was in Germany as recently as this past summer. I shall just quote from that article at various points. Professor Hiscocks has this to say:

There has been something very naïve about allied views on Germany in their crudest form. Towards the end of the war the secretary of the United States treasury proposed the so-called Morgenthau plan for reducing Germany to a nation of farmers or, as some Germans now say with justifiable bitterness, to a nation of goatherds. Industry was to be drastically controlled and reduced. Then, within a few years, billions of American dollars were being poured out as Marshall aid to rebuild German industry and re-equip it with the most modern machine tools.

The period of rigid disarmament when a German could be executed for burying a shotgun in his garden gave way to the present phase, when one of the chief aims of western diplomacy is not only to allow Germany to rearm but to ensure that it does so effectively.

And then again:

It is hardly surprising that Germans are sometimes scornful of allied policy. Many sincere and enlightened thinkers are highly critical of American diplomatic pressure aiming at the rearmament of their country. Whether we agree with them or not, their point of view deserves respect.

I have never heard so many or such strong arguments against German rearmament as I heard in Germany this summer. It may seem curious that this should be the case, yet the average German has suffered more from German militarism than the average Canadian or American. Anti-militarism is particularly strong amongst the young. Some say bluntly that in no circumstances will they do military service again. Many more are determined that a new army should be different in spirit from the old. Only a very small minority would welcome the re-creation of the German army for its own sake with any real enthusiasm. One man told me that he was thankful for every day that went by without rearmament, because it meant that one or more of the old militarist gang had died off and that the danger of their restoration to power had correspondingly decreased. This sentiment is shared by many ordinary German citizens with no political axe to grind.

The quotation continues:

The real danger of German rearmament is the revival of Prussian militarism under some thin disguise, with its narrow nationalist outlook, its arrogance, its cynicism, and its belief in amoral Realpolitik. Such a revival would be compatible with a sincere repudiation of nazi doctrines, because the Prussian military caste included some of Hitler's strongest opponents. But without any admixture of nazi ideals it would be a development sinister enough in itself.

Towards the end he concludes:

For nearly ten years Germany has had no army. This break in continuity provides grounds for hoping that the militarist tradition has been broken and that any new army that is created will be different from the old. On the other hand, it is arguable that the interval has not been long enough. There are still many officers and NCO's available who are just waiting for an opportunity to re-create the old military machine.

I think the voice of that gentleman should receive some consideration.

The argument is often raised that since East Germany has been armed, West Germany should arm. The obvious answer to this is, however, that any contribution that a West German army might make to western defence would, in my opinion, immediately be cancelled out by additional rearming by the communists in East Germany.

Those who argue for the rearmament of Germany emphasize that West German forces would be controlled within NATO and WEU. Unfortunately, however, the great danger lies in the fact that German nationalists want reunification, and recovery of Polish-settled territory and Polish-held and Russian-held east Prussia.

North Atlantic Treaty

There is strong evidence that extreme nationalism is rising. When Chancellor Adenauer has passed from the scene another government might ignore his peaceful pledge. Civil war, war with Poland, war with Russia, might result, or perhaps even a Russian alliance may be entered into. NATO consequently might lose its defensive character. It is conceivable that under such conditions NATO might well be drawn into dangerous courses and increased armaments.

As far as arms control specified in the agreements is concerned, it should not be overlooked, Mr. Speaker, that between the wars Germany evaded arms control, assisted by Krupp and other big industries that are now in much the same hands. There is also the strong possibility that communist countermeasures would likely cause the west to relax control and raise more German forces.

I very much question the military value of German rearmament, and in support of my argument I wish to quote B. H. Liddell Hart, former British government military adviser, one of the greatest military critics in the west in recent years, and the only British military expert who foresaw the development of blitzkrieg warfare by fast moving panzer divisions, and whose advice the British government of the time refused to take in preparing to meet the oncoming onslaught from Hitler.

I quote from the *Globe and Mail* of Tuesday, January 4, 1955, carrying the headline "Expert Attacks Defence Strategy". The report reads:

A British specialist in military strategy says that much of the west's new plans for defence in the atomic era are a waste of time and money.

B. H. Liddell Hart, a former government military adviser, claims the realism of present defence planning is questionable under the implications of the hydrogen bomb. In the event of an all-out war, he says, there would be little value in the armies being built up by the North Atlantic Treaty Organization, navies, ordinary bombers or air defence.

The only real defence is "the deterrent power of retort."

Liddell Hart, one of the first advocates of air power and mechanized warfare, presents his theories in a long letter to *The Times*.

Three things, he suggests, are necessary for defence: A strategic air force of "superlative technical quality and performance," an extensive police force and "fire brigade" forces of high efficiency and mobility, in constant readiness. "The supreme fact of the hydrogen bomb era," says Liddell Hart, "is that war has become palpably suicidal."

A "realistic" appreciation of the military factors, he concludes, could change Britain's whole economic outlook for the better, while also providing greater security. Big savings could be made in ordinary bomber forces, navies and air defence, since none is capable of preventing "a catastrophic penetration by "hydrogen bombers" or bombardment by atomic missiles.

In my opinion, Mr. Speaker, Liddell Hart completely torpedoes the argument in favour of the military necessity for the rearming of Germany for western defence.

Fear of German rearmament is well indicated in debates in various parliaments and assemblies which dealt with this issue.

In Great Britain only approximately 40 per cent of the membership of the house voted in favour of the measure approving the rearming of Germany. The Labour party, with the exception of seven members, abstained, and nearly 100 Conservatives failed to record their votes. That was no doubt attributable to the expression of public opinion at that time.

In France the same measure was carried only by a minority of the French assembly voting under great pressure and after a lengthy and stormy debate.

In Bonn, Germany, the matter has been postponed further and internal opposition to West German rearmament is rapidly extending from parliament to the general public.

In this connection I wish to quote from the *Christian Science Monitor* of January 19, 1955, under the heading "Opposition Mounts", and then the main heading "Rearming Tears Germany". The report datelined Bonn, Germany, reads:

> Internal opposition to West Germany's rearmament is rapidly extending from parliament and closed party circles to the general public.
>
> The initiative in all this is taken by the Social Democratic party (SPD) supported by a large section of the trade union movement. Influential groups in the Protestant Evangelical Church also have come out strongly against rearming.
>
> In fact, general indications and reports from different parts of the country indicate that the federal republic is more divided on rearming than it has been on any other problem for a long, long time.
>
> The main argument against remilitarizing West Germany and tying it to the western powers is that thereby all prospects of reunifying Germany diminish to zero.
>
> The decision to take the campaign to the country assumes that the Bonn parliament does not represent the will of the people. The Social Democrats are organizing meetings throughout their constituencies designed to prove to the general public the "dangers for unification arising from the government's foreign policy".

The Social Democratic party has appealed to the socialist parties of the world, stating its fear of a rearmed Germany and urging every effort be made for the calling of a four-power conference on unification. The West German trade union federation, by a vote of 391 to 4, agreed to make a similar appeal.

I am not going to deal further with that issue, Mr. Speaker, because I am sure other hon. members are more informed on that aspect of the situation than I am.

Opposition to the rearming of Germany is expressed by responsible people in all countries. Lord Beaverbrook has expressed his opposition through his press in Great Britain, and expressed it vigorously indeed. I am informed that the Minister of National Health and Welfare (Mr. Martin) was the guest of Lord Beaverbrook at Nassau—

Mr. Martin: We quarrelled violently on that subject.

Mr. Herridge: —and I am sure Lord Beaverbrook expressed to the minister his views on that subject. In his last speech made in the House of Lords before he died, Duff-Cooper made a most passionate appeal against German rearmament. General de Gaulle, who certainly has not the same political opinion as has this group, has taken a strong stand against German rearmament because of his fears of the effects of German rearmament on the safety of the French nation. Thomas Mann, a great German novelist, a great democrat who fled from Hitler and who is now an American citizen, recently said this:

> "The trend of world affairs is menacing, pregnant with disaster", and he warns that by putting "yesterday's mortal enemies back in the saddle the west is scandalizing the peace-loving majority of West Germans".

He should know. I expect he has a great deal of correspondence with friends in Germany.

Thousands of responsible and patriotic Canadians oppose German rearmament. I have received letters from, and held conversations with, many parents, wives and children who have lost their loved ones. I have also received letters from many veterans who have expressed their uncompromising opposition to German rearmament, and I shall refer to two, who have informed me of their opinions. One is a retired major of the Grenadier Guards, who is a resident of my constituency, and who had experience in Germany after the first world war, serving with the British military mission. From his knowledge of Germany and of the situation there at the present time, he expressed to me in no uncertain terms his belief that rearming Germany was a most dangerous step. Then since this debate commenced I received a letter from a comrade of mine who is now in Shaughnessy hospital receiving treatment for first world war disabilities. He said, "I am extremely glad to see that some of you people are opposing German rearmament". Sections of the Canadian Congress of Labour and other trade unions have expressed strong opposition to rearming Germany at the present time.

We have been asked the question: What is the alternative course of action? In reply, Mr. Speaker, I say that we believe that time is on our side. We therefore believe in playing for time as an alternative: time to explore further diplomatic possibilities; time to develop Colombo plans and further technical assistance; time to remove more of the economic ills of the world; time to allow the further strengthening of the democratic forces in Germany; time to work for the settlement of disputes as outlined in the charter of the United Nations.

As to that last point, I suggest that the United Nations should propose a deal by which a united Germany is admitted to the United Nations along with communist China, and that rearmament be postponed. In my opinion, Mr. Speaker, and in the opinion of some other people who have given this question some consideration, if we couple with this suggestion the withdrawal of Russian, British and American troops from Germany and the satellite states, the whole picture would be greatly improved.

At the Lambeth conference of 1948, a committee of bishops of the Anglican communion—of which the late bishop of Kootenay was a member and who is sincerely mourned by thousands in my constituency at the present time—dealt with problems the church has to face in the modern world, including communism, and reported in part as follows:

> Communism cannot be overcome by argument alone. It has to be outlived, not merely outfought. Under the Providence of God its truths will pass into the experience of humanity, its untruths and half-truths will be self-destructive.

It was my lot, Mr. Speaker, to be born in an era of hope. No one who grew to maturity in the years before world war I could in his wildest nightmare have imagined the horrors which have been commonplaces of the daily press since the first world war of 1914. The science which men trusted has given those mad for power a capacity for the destruction of body, mind and soul on a vast scale, one so great that, in my opinion, comparisons with barbarian conquerors are grotesquely misleading and totally inappropriate.

The generation of my youth believed in a fundamental rationality of life and its essential goodness. Most of all, it believed in the sure and certain progress of the human race. This false confidence was somewhat justified in the light of modern history, particularly by the progress made in the latter part of the Victorian period in the western world. At the outbreak of the first world war, I, who was a progressive though not yet a socialist, interested in peace and always opposed to imperialism, never thought of war in present basic and total terms. It is the hydrogen bomb, Mr. Speaker, which has made most articulate our fears for the future and which casts its black shadow over any hope of progress except towards destruction.

Today we face an unprecedented world situation. For the first time in history no general staff can guarantee its government victory, nor give any accurate estimate of the cost in military and civilian casualties or treasure required to assure any hope of victory. As Liddell Hart says:

> The supreme fact of the hydrogen bomb era is that war has become palpably suicidal.

On that basis we must consider this situation. In brief, the logical deduction from the experience of our times is that if we cannot get peace, plenty and freedom together we shall get none of them. To achieve these objectives is an indivisible task.

Mr. Speaker, I have given this problem my best judgment and serious consideration. That is the situation as I see it today. I have brought my best judgment and serious consideration to dwell on this problem and I feel that, in the best interests of this country and of the future of mankind, I can do nothing else but oppose this resolution.

Mr. David A. Croll (Spadina): Mr. Speaker, the debate has been carried on at an extremely high level. Thus there is little that I can say after the powerful and lucid speeches that have been made in the house. I shall not willingly, of course, lower the standard of debate by being repetitious. Unless I can say it better, I am not going to attempt it. For that reason the house will understand if I do not speak for too long.

It was in 1950, after the North Koreans had attacked the South Koreans, that Dean Acheson, secretary of state in the United States, drew a parallel to Germany. He pointed out the danger and suggested to the free world that consideration be given to the rearming of West Germany which was then, as now, facing an armed East Germany. The Secretary of State for External Affairs (Mr. Pearson), the distinguished hon. member for Prince Albert (Mr. Diefenbaker) and the knowledgeable hon. member for Esquimalt-Saanich (Mr. Pearkes) have given us chapter and verse with respect to the arms in the hands of Germans who are in the east. These, numbering nearly 400,000, have been paraded before us in such great detail that we can almost recognize the regimental identification. It may be argued—as the hon. gentleman who just sat down argued—but surely it cannot be maintained that it is a virtue for

the Germans in East Germany to be armed and that it becomes a scandal when arms are provided for Germans in the west. Nor can it be maintained that those in the east are good Germans because their arms are provided by the Soviets and that those in the west are bad Germans because the free democracies will provide arms for them. When the fourth session of the twenty-first parliament opened on January 30, 1951, at the earliest opportunity, which was during the debate on the speech from the throne on February 6, I spoke at length of the dangers of rearming Germany. My words appear on pages 114 to 118 of *Hansard* for February 6, 1951. There I discussed at length many of the problems which now face this house. The tenor of my speech was that we must approach the problem of German rearmament with the greatest caution and safeguards, and with the memory of what an armed Germany cost the world in blood and tears in two world wars. We cannot afford to chance it once again without adopting precautionary measures, safeguards and controls.

Those words bear repeating because they are as cogent today as they were four years ago. I then recognized the inevitability of the step we propose to take at this time and my emphasis was on the controls. Whether or not the controls will control as we expect is the great unknown. The Secretary of State for External Affairs (Mr. Pearson) said, and I quote from page 369 of *Hansard* for January 20, 1955:

> I do not suggest that we should ignore the lessons of the past. Indeed, as George Santayana has said, "those who will not learn from history are condemned to repeat it."

By those words he indicates that he is fully aware of our previous failures, in which he had no part. Thus we should be reassured that in this instance there will be no failure.

In 1952 the house unanimously endorsed the European defence community which provided arms to West Germany and upon which the French later changed their minds. Subsequently, the French endorsed rearmament by changing their vote.

The present debate has been a thorough one and every aspect of the question has been fully discussed. I am particularly impressed and I am influenced by the forceful, profound and powerful speech made in the course of this debate by the Secretary of State for External Affairs. Cogent in its lucidity were the words used by the hon. member for Prince Albert to describe that speech.

[Mr. Croll.]

The effect of that speech has not been lost on the world. The Toronto *Star* of January 22 carries a Reuters dispatch headlined as follows: "Thunderer praises Pearson's Speech". The article reads:

> The *Times* praises the 'wise and timely' speech given this week by L. B. Pearson, Canadian external affairs minister, when he opened the debate in parliament on ratification of the Paris agreements.
>
> It says the speech 'provided one of the most reasoned statements in favour of the agreements which has yet been heard.
>
> 'Canada was one of the most influential members in the North Atlantic Treaty Organization. And in all that he said in the debate Mr. Pearson held fast to the original hope of a partnership of like-minded nations, wedded to a common purpose.
>
> 'As he looked ahead Mr. Pearson made a significant contribution to the present talks in Paris on the proposed European arms pool.
>
> 'It was a wise and timely speech'.

I found that during this week end there was a wider understanding and a better appreciation of what we had been trying to accomplish. For many years the Secretary of State for External Affairs has chartered the course of our international relations with remarkable ability. He has brought credit, distinction and peace to our country and helped preserve the peace of the world. I have, of course, read the Paris agreements noting fully the severe and binding limitations, controls and safeguards which are contemplated and which the minister has amplified.

It has been said in the house that foreign affairs are always a choice of problems. There is no sure or certain course. Decisions are made on unproved assumptions, weighing the advantages and disadvantages with the hope of a good result. The issue of war or peace in our time depends on our finding the right solution. This may be our last chance to solve this problem, and I think it is our best chance. None of us can be sure. Time alone will tell whether the rearming of West Germany is justified. Standing as we do at the crossroads of our existence, we can only hope and use our very best judgment, in the light of the information that is available to us, that in rearming at this time an aggressive and tumultuous people who were responsible for two of our deadliest wars in history we are preventing a third blood bath.

This is a momentous decision which, for good or ill, may determine the fate of generations. What we do now is with the hope and prayer that we are avoiding a greater catastrophe—at the very best it is a choice of evils. I believe this house knows my back-

ground, upbringing and family tradition. Seared and burned in my memory are names that will forever live in infamy. I have had thousands of representations and many delegations which have made a very deep impression on me. There is scarcely a home in one portion of my riding that has not suffered. I am a man torn. I have done much soul-searching. My heart, instinct, intuition and emotions say no. My head, logic and realism say yes.

I admit that the realities cannot be denied. There is no middle or alternative course. Without this step that we propose to take now, there can only be chaos. With great reluctance and a heavy heart I shall do what needs to be done at this time, without joy and with the Everest of misgivings.

(Translation):

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, the present discussion, to which I would like to bring my modest contribution, is of extreme importance, and I firmly believe that everybody's attention is now focused on parliament hill.

Upon the voicing of our views, as well as upon the decision that the parliament of Canada is about to take on this question—much debated in certain quarters—of the rearmament of West Germany, depend, in my humble opinion, the future and security of our country, as well as the safeguarding of peace and democracy in all those countries which are increasingly proud to belong to the free nations of the world.

Within barely a quarter of a century, we have been engulfed in two horrible wars, both of them started by the arrogant leaders of a Germany hankering for power, whose unbridled ambition was to conquer the world. The German people, as the result of their leaders' ambition, came to the conclusion that they were a superior race and that, as a consequence, all the peoples of the world had to fall under their domination. The only recognized god then was the fuehrer!

I have certainly no intention of minimizing in any way the incredible number of horrors perpetrated throughout the last two world wars by our former enemies. It will be sufficient to recall the memory of those who fell gloriously on the battlefield, the memory of our Canadian heroes. It would be sufficient too to read once more the numerous stories of the unspeakable massacres and tortures worthy of darker ages which were the lot of those who had been crammed into concentration camps. Neither are we forgetful of the martyrdom suffered by those of the captured soldiers of the free world who refused to abandon and betray their native land.

How many Canadian homes have known separation, worry and death? The losses sustained by those who mourn for a husband, son, brother, fiancé, relative or friend, pitilessly torn from the love of their dear ones, run into hundreds of thousands. And this through a war willed upon us by the nazi hordes.

Following those deaths, at the thought that these dear ones would never again see their beloved Canada, for the defence of which they had just made the supreme sacrifice, we, in general mourning, damned Germany and the barbarousness of her leaders and wished for her complete destruction.

Why did these young Canadians, on which the country based its fondest hopes for the future, agree to leave behind country, homes and folks, to risk and give their life?

It was because these young men had faith in the future, that they wanted to prepare happy tomorrows, make Canada a country in which it would be good to live in peace and harmony, and leave behind the fine reward begot only by courage and sacrifice.

The hatred that Germany called upon herself has not been forgotten and no Canadian, least of all those upon whom these wars brought sorrow and mourning, can be asked to forgive and forget.

It is owing to these few considerations no doubt that quite a number of Canadians of all racial origins are not ready to give definite and enthusiastic approval to this proposal in which we are asked to ratify the agreement permitting Western Germany to rearm.

German militarism having always, or nearly always, been a menace to world peace, it is easy to understand that we should doubt its fairness and its honesty. Since Germany did not comply with treaties and agreements in the past but rather considered them as mere scraps of paper, it is easy to understand that we should be under some apprehension regarding these new commitments.

The unforgettable atrocities, the innumerable defaults, the treaties wilfully ignored, those are all factors which today explain the reluctance of nations who have suffered to forgive those who have so often been called tyrants.

What new guarantees have we should we decide to forgive the past and try—however hard it may be—to consign to oblivion the record of so much evil, of so much blood and tears?

Is their word worth more today than it was yesterday, or are the Germans sufficiently smitten with remorse to atone, by doing good, for the immeasurable mischief of which they have been guilty?

The representative of God on earth forgives the repentant evil-doer, often in spite of his many grievous sins, because, he says, the Creator's mercy is infinite.

Must we not, at all times, use that last-mentioned maxim as a guide and he who repents should at least get the benefit of the doubt when his present or future good intentions are in question.

In my humble opinion, when we deal with that ticklish question, we must put our feelings aside and be truly realistic. Great Britain and France in particular have, more than we, been devastated and have lost an important part of their population but have they not reacted once more when confronted by the far greater danger which threatens not only Europe but the entire world?

What is that danger? What is that menace which lies heavy on peace-loving nations, which hangs over them like the sword of Damocles?

It is bolshevik Russia, atheistic Russia, murderous Russia, conquering Russia, godless Russia, which harbours the hideous canker, the destructive ideology of communism and whose deadly propaganda aims at nothing else but the poisoning, followed by the destruction of the souls and hearts of all who fall prey to that doctrine.

The communists, making use of every dishonest practice they are known to use, through recourse to cunning, hypocrisy, falsehood, have infiltrated every possible movement, including labour unions, in order to sow discord; they even have the gall to disguise some of their organizations under the title of "peace congress".

The communists up to now have shown by their barbarous deeds that they are international bandits, dangerous spies and the greatest persecutors of the church and of the faith that ever existed.

Every day we read with dismay in the papers that in the countries over which they rule they have thrown into slavery, imprisoned, tortured in the most horrible manner and cowardly assassinated men whose mission, whose calling is to guide the souls of others and to spread the belief in the Supreme Being, as if these men were the most wicked criminals.

[Mr. Dufresne.]

This pernicious and subversive ideology has been spreading even in this country where it must be admitted that communism has an ever-growing number of more or less conscious adepts.

On different pretexts they carry out periodic invasions of these parliament buildings where, following blindly in the wake of their leaders, they accomplish these little pilgrimages of theirs, dangerous and hypocritical, with a view to furthering their propaganda.

More than 800 of them banded together only a few days ago. They came to this parliament in order to meet the representatives of the Canadian people so as to ascertain their opinion on the point now at issue. For my part I took a few minutes off to receive them and to tell them, in a few words, what I thought of their doctrine, of themselves, after which I threw them out. I took advantage of this opportunity to voice once more my deepest religious convictions and to state loudly all my love for our democratic institutions.

These Canadian communists, who are afforded too much freedom in this country, since they are a constant threat to our national security, because of the hatred they nurse for our system of government which gives happiness, peace and prosperity, should be considered outlaws. Now, then, when will the government adopt this urgent and oft-suggested measure and when will they prevent this filthy propaganda from reaching into Canadian homes through the postal services of Canada which, in this way, become an indirect accomplice to the overthrow of the system democratically established in our country? Let us face realities. Let us have courage. Let us apply the best preventive at our disposal, the outlawing of the communist party in Canada.

For the communists, the word freedom means abuse and it is more than ever time that the Canadian parliament be made aware of it. Let us never forget the sorrowful and fatal consequences of the complacency and indifference of some countries now behind the iron curtain and deprived of the freedom which is a source of happiness for those who enjoy it.

One thing can be understood or rather can be readily understood, when it is realized that all over the world the communists dedicate all their efforts to the service of their masters in the Kremlin, to whom they are blindly subservient.

All their devotion is dedicated to this foreign and dangerous power, at the expense of the best interests of the security of their own country.

No matter what conquering Russia may do, Canadian communists applaud unreservedly her machinations which are a menace to all mankind.

In this debate I think that Canadian communists who ask for a negative vote on the Paris agreements are guilty of the most infamous imposture.

Have you ever heard them lodge any protest against the steady flow of destructive arms to red China and other countries ruled by the Kremlin, arms which might sooner or later be used against our own country and our own people, which might bring us destruction and death?

These double-dealers, these traitors, through their wilful and unpardonable silence, are satisfied and no doubt happy to see that the nations which have taken up the communist doctrine, or which are made to put up with it, will be able to arm to the teeth in anticipation of further aggression inspired by Russia.

Their behaviour is all the more treacherous, traitorous and unpardonable that they learn of the fiendish intentions of their infamous masters through a spy network well organized by Moscow and directed here in Canada and elsewhere through embassies and consulates, as we have found out in the past.

What is going on at this time around Formosa and the adjacent islands constitutes even more convincing proof of the fact that we may, at one time or another, be drawn into the most terrifying and devastating war in the history of all nations.

Red China is delivering repeated attacks against certain islands still held by the nationalist forces of Chiang Kai-shek, in order to prepare the invasion of that territory. That is no doubt the first step towards global and total warfare.

Those attacks have been inspired by barbaric Russia. It is the prelude to its attempts, born of boundless ambitions, to dominate the world and set up therein its regime of terror, slavery and idolatry. As for communist China, it only acts under the satanic orders of Moscow of which it is the contemptible puppet.

Whether we like it or not, and in spite of the optimistic statements made lately by certain chiefs of state, a sense of realism and an examination of what is going on should convince us that war is all but upon us at this time and that the free world is now being seriously threatened. Let us therefore adopt the appropriate measures now open to us in order to face the uncertain, perilous future that awaits us.

It is most unfortunate, Mr. Speaker, that the government have not seen fit to convene parliament earlier so as to allow all representatives to give this matter their undivided attention. This is the most serious matter to come before us since the close of hostilities. Once more the government now in charge of the destinies of the country have, through this reprehensible attitude of theirs, failed to recognize the supremacy of parliament.

This new commitment on our part, which does meet with our almost unanimous approval, must not, nonetheless, bring about an increase in our military spending. These expenses are already far too heavy for the means of our small population who, ever since the end of the war, have been groaning under the weight of taxation. The Secretary of State for External Affairs (Mr. Pearson) must give us that assurance.

He will also have to tell us, unequivocally, what would become of our Canadian soldiers stationed in Germany at the taxpayers' expense if, some day, a rearmed Western Germany decided to invade the remainder of its territory now occupied by the Soviet, in order to proceed with the unification of the country. Would they be evacuated from a zone that had become dangerous for themselves and their families who had come to join them, or would the agreement we ratified oblige them to fight with the West Germans? These, Mr. Speaker, are questions that cannot remain unanswered and about which the Canadian people have a right to be informed.

For all these reasons, Mr. Speaker, and being aware of the responsibilities that weigh upon us as representatives of the Canadian people, I shall assume those responsibilities and vote in favour of West German rearmament. Of two evils, we must choose the lesser. I, therefore, prefer to absolve a repentant sinner than to become the accomplice of those who have decided to pursue their international gangsterism, in order to throw peoples into slavery and idolatry.

As far as we, who believe, are concerned let us implore the help of the Almighty and pray for the conversion of bolshevik Russia.

(Text):

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, because of the far-reaching implications of the proposal that is now before us I hesitate to take part in this particular debate.

However, for the very same reason, I feel that I could not justify myself in maintaining silence. Therefore at this time I should like, at the risk of further repetition, to express my own feelings with respect to this particular resolution.

It seems to me that this is a debate in which the emotions of hon. members of this house are being deeply stirred. It is a debate in which our powers of discernment are being taxed and our capacity for judgment is being tried to the limit. It seems to me that we are haunted by two fears, the fear of a revival of German militarism and, on the other hand, the fear of further communist expansion.

The first, of course, is not without foundation. Twice in the first half of this century Europe has rocked with the tread of German spike-helmeted, ironclad forces urged on by the dreams of power and their leaders' fanatical sense of destiny. Those forces have not hesitated to drench nations in blood. We do not propose at this time to recount again the stories of brutality perpetrated in an endeavour to carry out their policies. We do not close our eyes to these facts. We do not forget the cost in lives and material, lives especially, involved in the defeating of those forces. That is our first fear.

The second fear, that of communist aggression and expansion, is also based on fact. Read into the records of this debate have been statements made by leaders of communist thought to the effect that world domination is their ultimate objective, and we have seen some phases of that program become reality. I do not wish to labour this point further except to refer to the constant threat felt by men in governmental positions all over this world.

Privileged as I was to attend part of the recent sessions of the United Nations general assembly, I heard delegates from various nations refer to the process of infiltration, intrigue and subversion emanating from and aided by the Kremlin directed toward the overthrow of constituted law and order and the bringing of increasing millions of humanity into the slavery of communism. All this in spite of Mr. Vishinsky's declaration that Moscow does not export revolution.

The hon. member for Cartier (Mr. Crestohl) likens communism to creeping paralysis or, in some cases, to galloping consumption, the virus of which is slowly penetrating into every corner of the world. It seems to me that communism is a high-crested flood that threatens to engulf the world. It is a power threatening the very existence of democracy and freedom. This, I say, is our second fear.

It seems to me that our prayer is not for courage to do the thing which is right; our prayer is for guidance that under these circumstances we will know the right. I believe that each and every one of us will do the right thing if he can discern what is the right thing. We have been carefully weighing the issues, judging the particular dangers which confront us, and we must register our votes and trust that history will confirm the wisdom of that decision or at least credit us with sincerity of purpose.

Just today I received a circular letter in the mail—I suppose all hon. members received a similar letter—from the church peace mission, care of St. Cyprian's church in Toronto. I call attention to it because to me it is rather misleading. I know nothing about the church peace mission; I do not know how many belong to it; whether it is a properly constituted group or just what it is. This letter urges us to take our stand against the ratification of the agreement and I should like to read a portion of this letter by the Reverend D. C. Candy, chairman of the church peace mission. Referring to a previous communication which he had sent to hon. members, he said:

> The following excerpts from the resolutions adopted by the assembly of the world council of churches, which met in Evanston in August 1954, express the view of the great majority of Protestants throughout the world:
>
> "We believe that there are two conditions of crucial importance which must be met if catastrophe is to be avoided: (a) The prohibition of all weapons of mass destruction, including atomic and hydrogen bombs, with provision for international inspection and control such as would safeguard the security of all nations, together with the drastic reduction of all other armaments."
>
> (b) The certain assurance that no country will engage in or support aggressive or subversive acts in other countries . . . We are convinced that peace will be seriously endangered so long as the armaments race continues. . .

He adds this sentence:

> We heartily support these views and urge that the efforts of our government be towards their implementation.

I am sure the council was expressing the feelings of the great majority of Protestants, as well as those of other people. However, I would not go along with the inference that in order to accomplish these aims and objectives we have to vote against the ratification of these agreements. I believe his views are erroneous on that subject. He goes on to say:

> In the early part of last fall our own Canadian representative introduced a motion in the UN general assembly, which gained the approval of all the major powers, asking for the continuation of the discussions of the special subcommittee on the subject of the control of atomic weapons and by all peace-loving people.

The writer goes on to state:

> It would be inconsistent with the objectives of this motion now to agree to the development of any large new military force, let alone the revival of a German army, with its criminal record. Continued support of the work of this UN body will have far greater possibilities for the promotion of world peace than the re-establishment of the fearful German war machine.

I would again like to place myself on record as being in opposition to the view that to vote for the ratification of the agreements would be contrary to the spirit of this particular United Nations resolution. I believe the Secretary of State for External Affairs (Mr. Pearson) made a plain statement in regard to the circumstances that led up to this particular proposal. Many of the things that have troubled us have been clarified, and we certainly appreciate that.

Again with reference to the time I was privileged to spend at the United Nations, I would like to say that I appreciate the diligence and devotion with which the Minister of National Health and Welfare (Mr. Martin), as acting head of the Canadian delegation to the United Nations, sought and succeeded in bringing the east and west together through the co-sponsorship of the draft resolution on disarmament.

We hope and pray that further negotiations will achieve the desired results. I say that, Mr. Speaker, because of the tendency on the part of some to imply that we are now following a policy of provocation rather than negotiation. Therefore, like other hon. members who have given this matter great, and I may say prayerful, consideration, I feel I must, and I shall, vote in favour of the resolution before us.

Mr. A. M. Fraser (St. John's East): Mr. Speaker, in rising to take part in this debate on the resolution to approve the Paris protocol to the North Atlantic treaty, I am fully conscious of the extreme gravity of the decision we are called upon to make. Implicit in this resolution is the question whether or not West Germany is to be rearmed. This question is one of the most momentous ever to come before the house.

I venture to suggest that there is not one of us who has not approached this issue with mixed feelings and with serious misgivings. The black record of German aggression, and particularly of nazi atrocities, generates in every one of us an instinctive revulsion against the idea of German rearmament. Nevertheless, Mr. Speaker, this is an issue which must be decided not by instinct, or passion, however natural these emotions may be, but by reason and logic.

For my own part, Mr. Speaker, my misgivings have been diminished and my apprehension allayed by the clear and comprehensive statement made to this house by the Secretary of State for External Affairs (Mr. Pearson). He has convinced me that the real choice is not between a Germany disarmed and a Germany rearmed, but between a Germany rearmed within an international framework of control and a Germany rearmed without control.

It is impossible to maintain a permanent power vacuum in central Europe. As Sir Anthony Eden said: "The question is not whether West Germany is to be rearmed, but how." We cannot treat West Germany as a perpetual pariah, an outcast among the nations, because if we were to attempt that policy Russia, as the Secretary of State for External Affairs has pointed out, would be tempted to fill the vacuum thus created.

Let us try to imagine for ourselves what the situation would be if this protocol failed to be ratified. I venture to suggest that one of the first consequences would be to undermine the authority of the Adenauer government in West Germany, the government led by a man who is at one and the same time a good German and a good European.

It was my good fortune, Mr. Speaker, to be in West Germany during September of last year shortly after the rejection of EDC by the French national assembly on August 30, and I could not but feel that the failure of EDC had generated a sense of disappointment and disillusionment among the Germans. Chancellor Adenauer had pinned his foreign policy on the support of the west and one of the pillars of the western policy had been EDC. When it crashed to the ground there seemed to be a danger that West Germany would lose confidence in Dr. Adenauer, and his government might be overthrown.

That, I fear, would be one of the consequences, and we must remember that in dealing with the West Germany of Adenauer we are dealing with a different Germany from the German empire which Bismarck welded together by a combination of astute diplomacy and relentless force. We are dealing with a different Germany from the Germany of Kaiser Wilhelm. We are dealing with a different Germany from the Germany of Hitler. From the West Germany of Dr. Adenauer Prussia is absent. I think hon. members of the house will agree with me that throughout the history of the German empire and of Hitler's reich it was the Prussian junkers and the Prussian militarists who spearheaded German aggression either directly or through their influence on the German general staff.

I would venture to suggest that the Germany of Adenauer could be even different

from the Germany of the Weimar republic because I think experience has led the West Germans to remedy some of the weaknesses of the Weimar constitution. For instance, the powers of the chancellor are greater. Article 65 of that constitution declares that he is responsible for the principles of policy and determines them. Moreover, we know that the chancellor's position has been strengthened by the fact that the basic law provides that if the opposition wishes to get rid of him, it must do more than simply vote no confidence in him. It must agree on someone to take his place. So in West Germany today we have a government that is at once a democratic government and a strong government. I think it would be a tragedy for the west if that government were to be undermined before its policy of co-operation with the west has been brought to fruition.

Another consequence of the failure to ratify this protocol might be the driving of a wedge between Western Germany and the NATO countries and the forcing of Western Germany into the arms of the Russians. We have seen the tendency for Germany to draw close to Russia illustrated more than once in recent history. The treaty of Rapallo in 1920 occurs to one, as does the Ribbentrop-Molotov pact of 1939. I therefore cannot see any alternative to the protocol.

I come next to the second thought which was left in my mind by the statement made by the Secretary of State for External Affairs (Mr. Pearson), namely the effective limitations and controls which are to be imposed on West German rearmament. As he pointed out, it is of course impossible for human ingenuity to devise absolutely ironclad, foolproof guarantees; but in so far as these guarantees can be devised and applied, they are devised and applied in this protocol, as was made clear from the masterly exposition which the minister gave us relative to the controls with respect to certain armaments and the prohibition of arms.

I should like to deal briefly with the reception that the protocol has had in one or two other countries which are intimately concerned. We know, of course, that in France the French national assembly has approved the protocol, albeit reluctantly. That reluctance is perfectly understandable. France has suffered the humiliation of three German occupations in some 85 years, each one of them more brutal than the last. While I was travelling through France last fall, the brutality of that occupation was driven home to me very forcibly by a memorial in the town of Auxerre. That monument is not, in the strict sense of the word, a war memorial but is a memorial to the men, women and children who were taken from that town by the German authorities, who were transported into Germany to work as slave labourers and who died as a result. Engraved on that monument are terrifying sculptured forms of bent bodies bowed down beneath intolerable burdens, with a hand stretched piteously from the earth. No one who looked upon that memorial could help feeling how deeply the brutality of the German occupation had entered into the heart and soul of France.

France has good reason to distrust and to fear Germany. We can understand why the French national assembly rejected EDC. But let us not forget that the French national assembly has approved this protocol which is now before this house.

Reference has been made by several hon. members to the narrowness of the majority in favour of the protocol. But it is well known that the 53 members of the M.R.P. who voted against the protocol are nevertheless in favour of rearming Germany and that they voted against the protocol simply because they would have preferred the solution proposed by their own leaders, namely EDC. If those 53 votes were deducted from one column and added to another, the result would have looked much more impressive. Nevertheless, Mr. Speaker, that protocol has been approved by the French national assembly because of 86 socialist votes. Without those socialist votes, given in an almost solid body by the socialists of France, the protocol would not have passed the French national assembly. From the figures that I have seen, I understand that the socialist party in the French national assembly divided as follows: 86 in favour of the protocol, 18 against.

As to Britain, Mr. Speaker, let me say that the protocol we have before us was largely the result of the brilliant initiative of the British foreign secretary, Sir Anthony Eden. It was largely he who, following the collapse of EDC, mobilized the forces striving for the unification of western Europe. It was he who produced a solution in the form of a wedding, as it were, of the Brussels treaty with NATO, out of which has come western European union.

Not only did the British government take the initiative in bringing forward this protocol, but in order to make it easier for France to accept the protocol the British government undertook a new commitment, to maintain troops in western Europe in time of peace. This is something which has been correctly described as a truly revolutionary act. By that action Great Britain has sacrificed, if you will, an important part of her sovereign rights in the cause of international co-operation and collective security. By doing

so she has given practical proof of her conviction that absolute and unfettered sovereignty has become an anachronism in our atomic age.

So, Mr. Speaker, we find that in both France and Great Britain these protocols which we are debating have been approved by the legislatures. In Great Britain the majority in favour was 266 to 6. It is true, of course, that a great many members abstained from voting, mainly members of the Labour party, but only 6 out of the Labour party membership in the house of close to 300 actually voted against the measure.

In the course of this debate a great deal of emphasis has been placed on the time factor. We have been told that time is of the essence, and of course one must agree with that. When one agrees with the idea that time is of the essence the thought in my mind is that we must seize the most propitious time. I firmly believe that time is now. During the past four or five years earnest efforts have been made, not the least by our distinguished Secretary of State for External Affairs (Mr. Pearson), to bring about a strengthening of the west for peace. It has been an uphill task, as we all know; but now, when the French assembly has approved the protocols, when Great Britain has made the sacrifice of sovereignty she has, when opinion in West Germany is more favourable to it than perhaps ever before and more averse to militarism than ever before, are we going to lose this moment? Are we going to undermine this fabric of international understanding in the west that has been built up by patient and skilful diplomacy?

I believe we should hesitate, Mr. Speaker, before we take that chance. Indeed, let us try to strengthen the cause. By doing so we shall be helping to strengthen the defences of the free world. We shall be deterring Soviet aggression, and I firmly believe we shall be improving our chances of successful negotiation with the Soviet union because we shall be negotiating from strength. If there is one lesson that the history of the post-war years has taught us in our relations with the communists, it is that we derive greater successes at the bargaining table when we can lead from strength. This has been the lesson of Azerbaijan, the Berlin airlift and even the success which we have achieved in Korea.

If we look at the rest of the world today we can contrast the situation in the Far East with the situation in Europe. What do we see? We see that communist aggression is more rampant in the east, where our defences are weakest, than it is in the west where our defences are the strongest.

This brings me to what I feel to be the fundamental question, and that is why this proposition is being put up to us at all at this moment? Why is this question of German rearmament coming before us? I should like to answer that question in the words of the French socialist leader, Guy Mollet. Speaking in the historic debate in the French chamber, he said:

> Why is the question of German rearmament posed?

The answer he gave was:

> It is because of the policy conducted by the Soviet union which menaces the peace of the world, and denies liberty to millions.

Yes, I feel that the danger of war today, the danger of aggression, comes not from Bonn but from Moscow.

In closing, Mr. Speaker, may I refer to the very convincing speech made on Friday last by the Minister of National Health and Welfare (Mr. Martin) in reply to certain comments made by the hon. member for York South (Mr. Noseworthy). This was an immensely valuable contribution to the debate. I felt that the minister demonstrated conclusively that there is no inconsistency between Canada's efforts at the United Nations to achieve disarmament and this resolution which involves the rearmament of Germany. We have always felt that disarmament must be under effective international control and supervision. I believe we are more likely to obtain a successful result from the impending disarmament conference if we can negotiate at that conference from strength.

It is clear from what the minister said that Canada is not speaking with two voices, not speaking with one voice in New York and another voice in London and Paris. These two policies are integral parts of the same pattern, two aspects of the same policy. The Canadian government is speaking with one voice, a voice that has been listened to with increasing respect and admiration throughout the free world. I hope, Mr. Speaker, that the parliament of Canada, too, will speak with one voice.

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, this is the second occasion since I entered the house that I have had the opportunity, perhaps I should say the temerity, to take part in a debate on external affairs. The first occasion was in 1953, when we were debating external affairs in a general way. This time we are dealing with a specific

measure, and we are asked to make a decision as individual members upon the matter of the ratification of the German protocol.

I suppose one of the reasons the ordinary private member in the house hesitates to take part too frequently in a discussion of external affairs lies in the rapidly changing picture confronting us. When we realize that just nine years after the close of world war II the whole structure of power politics has reversed itself almost beyond recognition, we can appreciate the point I have just made.

Then, too, Canadian policy has changed rapidly since world war II. I recall that after the cessation of hostilities in 1945 Canada tried to get back to what we called a state of normalcy such as had existed in the pre-war period. We demobilized; we withdrew from European commitments. Even though we perhaps realized that, in the light of world conditions emerging after world war II, such a policy was not realistic, we could not resist that deep-seated and almost subconscious urge to get back to the period of peace as it had existed prior to 1939.

In facing this issue upon which we must now decide, we can readily come to the conclusion that what we decide now is not a final or fixed solution, because both in Canada and throughout the world tremendous moral, political and economic forces have been set loose that no parliament and no country—and certainly no individual—could control by any decision made at any particular time.

I should like to emphasize at the beginning of my remarks that defence alliances are especially transitory. Any cohesive element that might lie within a defence alliance is dissipated or begins to disappear almost as rapidly as the ink dries on the signatures of those taking part in shaping the alliance. Because of the uncontrollable forces of power politics that have been unleashed in the world we are faced with a condition that, for any definite period of time, is beyond the control of human ingenuity and human understanding.

However, I do not have too much difficulty in making a decision on the question before the house because I feel that the question set out in the motion contains the only logical conclusion to which anyone could come. As I have listened to the debate during the last three days my decision in this regard has been strengthened.

NATO came as a logical development from the rapid disintegration of the UN following world war II, which had appeared at first to be the beginning at long last of a meaningful world alliance, including the powerful U.S.S.R. After examining the circumstances I must conclude that the fact we were forced to take part in a regional defence alliance in 1949 was not the fault of the western powers, particularly those in North America, because we were forced reluctantly to take action for regional defence as a matter of collective security. This was largely because of the unco-operative attitude of the Soviet.

In 1949 the cry was that the western nations must unite for survival, and as the world situation has further deteriorated it seems to me that cry is even more urgent. In 1949 NATO restored the balance of power in favour of the west. I believe a logical development in that process, in view of the circumstances prevailing since the war, is the incorporation of Western Germany into this regional alliance of free nations.

As other hon. members have emphasized, in the changing circumstances of world affairs it is almost impossible to believe that at last we have France and the western section of Germany trying to get along within a mutual defence agreement. We must also keep in mind that, notwithstanding its excursions into military aggressiveness twice in the first half of the twentieth century, Germany is basically and essentially a part of our western Christian civilization.

Having said all that is to oversimplify. The issue is not as straightforward or as simple as all that. Indeed, it is one of the most complex I have had to face as a member of the house, and one of the most complex confronting the world today. This was revealed in the minister's excellent review of the situation at the opening of the discussion on Thursday afternoon. It is not a subject that could be presented in sweeping and simple generalizations.

I join with other hon. members, particularly those in the back rows and those sitting in opposition, in regretting that more information was not placed in our hands at the time of the original Paris and London agreements. I have been under assault, if I may put it that way, from certain influences in my own constituency almost since that time, and it has been difficult to answer queries raised and deal with criticisms made concerning those two important conferences without having the information at hand.

Sometimes we of the opposition are referred to as the paper opposition, in that we get most of our information from the press. I have found from personal experience that this is almost inevitable, particularly as government affairs become more complex. As a private member I find there is not too much opportunity to get the necessary detailed

information on a matter as complex as this. Neither do we have the opportunity to deal with the representatives of the various free parliaments. We must formulate our own understanding and develop our thinking from the information transmitted to us through the various paper means of communication.

I venture to say that members of the armed forces of Canada, particularly those who travel abroad, have a more intimate understanding of and a more intimate contact with the actual geographical setting where these tremendous issues are taking shape. Members of parliament have to depend on secondhand information. That is an unfortunate situation. What the remedy is I cannot suggest this afternoon, although I do recall that when I first joined the air force back in the beginning of world war II the slogan was "Join the air force and see the world", and we did see a considerable part of the world at that time. Any personal grasp I have of countries outside the North American continent came from contacts that were made possible during those days.

In spite of the fact that to a large majority of the house it seems to be inevitable that we must ratify this protocol, there are some who feel that at this time they cannot vote for the resolution before us. I can partly understand that reservation. It is similar to the attitude that prevailed in the mid-1930's, when a strong feeling of pacifism was the dominant sentiment of a good many citizens of Canada and in fact of most of the western nations. Our generation is saturated with what we might call a mixture of sentimental Christianity—because as fundamental Christianity becomes watered down it tends to taper off into sentiment—scientific humanism and social evolution dogma. It was a mixture of all these sentiments that produced in the mid-1930's that famous resolution that swept through universities of the free nations of the world and which said, "Under no circumstances will we take up arms for king and country." A good many students of those days affixed their signatures to that resolution because of the sentiments that had shaped their thinking and formed their personalities; leading them to believe that everything was for the best in the best of all possible worlds, and never again would there be any war.

The refusal to ratify a resolution as important as the one before us springs from similar sentiments, I believe. Just a few moments ago the hon. member for Kootenay West (Mr. Herridge) referred to the belief in progress that was our heritage from the Victorian era; and that belief in inevitable progress still is very firm in a large segment of the population, even though in Victorian times, under relatively stable conditions, the wrecks of civilization were to be seen on all hands, particularly in the Mediterranean area. These evidences that civilizations do rise and fall only served to underscore the comparative security of our own era. It was not until world war II, when we saw within the confines of the western nations wrecks of cities, the debris of our own civilization, that our thinking in regard to inevitable progress was brought up short.

I remember that in the early 1940's, at the height of the devastating bomber attacks on Germany, the crews taking part in those mass raids, in order to provide a safety valve for their own emotional reaction to the horror in which they were actually engaged I suppose, used to refer to a successful raid something like this. They would say they had heard a newscast from one of the German radio stations which said that a mass raid of a thousand allied bombers appeared over one of their cities this evening. The broadcast would refer to the destruction of a number of bombers and concluded with the final sentence, "One of our cities is missing."

That, I think, underscores the problem that faces a good many hon. members, as we have to make a decision on this matter. We are now confronted with the prospect of total destruction, not only of the physical aspects of our civilization; but with the additional threat of what are called the ABC weapons the situation becomes even more ominous. Not only will cities be razed to the ground, but we are faced with the possible disappearance of soil fertility and interference with human biology itself. The hon. member for Nanaimo (Mr. Cameron) dealt with this subject a few days ago.

I want to emphasize that progress is not inevitable, and trends for good or evil can be disturbed by the actions men take, notwithstanding Marx and similar materialists —and our own civilization is saturated with strong potions of materialism today. I heard an authority speak on the subject not so long ago. He was rather cynical in his observation, when he said he saw very little difference between the atheistic materialism of Malenkov and the theistic materialism of western civilization. The materialists would always have us believe in determinism, that trends are inevitable, but I believe that man is capable of rational and creative activity. The decisions we make here in a free parliament, as well as decisions that may be made elsewhere, can be implemented into action, can change the course of events so far as human civilization is concerned.

In addition to the general confusion of a problem of this kind, the issue has been further confused by certain representations that have been making themselves felt repeatedly in parliamentary circles. I have had many letters; I have had many interviewers, all of whom have urged me to vote no on this matter. I have not had one letter urging me to vote yes. If you were to take that as a measure of public opinion you might be persuaded to move in the direction of the noes.

I am a little bit suspicious of the type of pressure that has been applied to members of parliament. First of all, it is highly charged with emotional content. It is not a rational approach to the problem at all. It seems even to have some subversive tendencies so far as the well-being of the western nations is concerned. It is an appeal to conscience, and that is an appeal that can always tend to neutralize the westerner because, notwithstanding the adulteration of the element of Christianity in our civilization, we are still pretty heavily saturated with Christian morality; and whenever anybody approaches us from the standpoint of a peace offensive we always think very carefully as to the stand we shall take.

I suggest that approaching members of a free parliamentary body such as this with a peace offensive is much like preaching to the converted. I do not think the North American countries offer any threat of aggression, and such propaganda efforts might be more usefully employed in quarters requiring a little more aggressiveness on behalf of peace. We are convinced that war is a scourge. When I have been confronted with this emotional, almost hypocritical approach, I hark back in my thinking to the peace offensive of Hitler during the 1930's, when he neutralized any possible resistance from the western powers by appealing to the western conscience.

It is largely, too, an appeal from the standpoint of fear, and it was Mr. Roosevelt who said at a critical period during world war II that we had nothing to fear but fear itself. The world today, because of the continuing threat of the international situation, is almost paralysed by fear. The other day I was quite impressed when I read in the press the story of the smog that suddenly descended over London causing the good citizens of London to fall on their knees in prayer, and in general distress and confusion thinking that it was the end of all things.

There is an atmosphere of fear in all the nations of the world at the present time. We are constantly reminded of the scourge of the nazis, of the possibility of the revival of German militarism and the modern barbarism of nazism. I would suggest that this tactic of the appeal to irrational emotionalism was just the thing that made it impossible for the west to stand up to the threat of the nazis during the 1930's. The nazi propaganda machine painted communistic aims and methods in such a bestial light that they confused the issue—the old red herring technique—and concealed their own bestiality. By arousing this irrational response of fear the nazis gained the allegiance of many of the respectable groups in Germany. Hitler destroyed law on the pretext of saving it. He undermined free government on the ground that he was its only safeguard. He brought all property under state control with the explanation that he was the champion of free enterprise, and he finally opened the gates of Europe to Russian communism on the excuse that he alone knew how to fight it. As I have listened to these representations by peace delegates my mind has constantly harked back to the Hitler technique of the appeal to emotional irrationality.

This leads me to a consideration of what we are up against in so far as any possible threat to our western security is concerned. True, there is a possibility of revival of German militarism; but I think we are in much greater danger from the possibilities of Soviet aggression. We need merely go back to the record since the end of world war II. It is not necessary for me to recapitulate that dismal picture here; it is well known to all hon. members. It is the lack of good faith and co-operation on the part of the U.S.S.R. that has made this whole western defence structure necessary.

In addition to that, if you go back to the doctrinaire Marxist approach behind Soviet designs and ambitions you will find they make no secret of the fact that they are out to destroy what they call capitalistic society, and they have a method of attack that is very difficult to deal with because it has two aspects to it. First of all it appears in the form of a revival of czarist Russian nationalism, and second it appears in the form of communist imperialism. This communist imperialism has, to my way of thinking, many of the overtones of religious fanaticism.

I do not believe that the Soviets will precipitate an all-out war. That seems to have been demonstrated by the pattern since world war II; but there is no doubt, by the same token, that whenever the opportunity arises, whenever confusion and chaos occur, they will indulge in a session of smashing and grabbing that is bewildering to behold. Such was the case behind the iron

curtain as they absorbed satellite after satellite in the immediate post-war period.

Of course it may be they are hoping that according to the Marxist dialectic the capitalistic nations will be destroyed of their own volition, that the elements of destruction are inherent in them and that Russia will simply have to wait until we reach a point of disintegration and confusion, when they can walk in and take over. That is why I feel it is so necessary to preserve, to extend and strengthen the system of collective security that has already been so well established in the NATO organization.

Actually if you look at either threat, the threat from the revival of nazism and the ever-present threat of Soviet pressure, there is much in common between the two. I remember attending a debate in Hart House in 1946 when the topic was "Resolved that nazism and communism are essentially the same". I think the affirmative in that debate rather had the upper hand. Both fascism and communism are the by-products of despotism. They are the results of the concentration of power both politically and economically in the hands of a few state officials. Of course this must inevitably lead to the abuse of power.

In addition to that, despotisms, particularly the modern despotism of nazi Germany and the Soviet union, are completely amoral. Lenin declared himself to have no belief in eternal moral principles. Actually all modern despotisms, and especially the two I have referred to, are more dangerous than any despotism that has existed hitherto, because they have all the insights of modern science at their disposal.

I was impressed with the minister's phrase when he said that he hoped science might be used for welfare rather than for warfare. I do not think modern despots are using the discoveries of science for what you might call welfare. Early despots used physical torture as an instrument to ensure conformity. In some cases they destroyed the body. But now the Soviet—and this has been amply demonstrated—uses new discoveries, in the physiology of the mind, for example, to inflict psychophysical torture on the victim. The will itself is destroyed. We have seen pictures of the white-faced automata appearing in the Soviet courts and confessing in the very language of their accusers. We have come to the conclusion that not only has liberty itself been removed, but the very essence of humanity has been subtracted.

We also recall the campaign that came from the same source as the peace campaign, with reference to the use of bacteriological weapons in the Korean conflict. We have discovered that this same diabolical brainwashing technique has been used, that the insights of modern psychology and psychiatry have been used in extracting confessions from prisoners of war.

Notwithstanding this—and this shows the very amorality of the threat now confronting us—no state in history has been more obsessed with "righteous" faith in the infallibility of its policies than the U.S.S.R. It sends men to labour camps in the name of freedom; it wipes out minorities in the name of liberation; it puts millions of peasants to death by starvation in the name of efficient agriculture. If anything, and this conclusion has been reached by others in this debate, Soviet despotism is much worse in its threat to humanity than nazi despotism ever was. In this regard I am constantly reminded that to fail in the ratification of these agreements will further open the way to communist infiltration. That is why I feel we must move resolutely and firmly toward the furtherance of western unity.

Like most hon. members I have reservations on this score, and some of these reservations I mentioned in my opening remarks. We are dealing with forces and powers in a great many respects quite uncontrollable, and we are constantly afraid that anything we do will usher in a third world war which would be the final madness of the human race. I would emphasize some of the things already stated in this debate, namely the need for rigid control of the German military machine and also, as the Secretary of State for External Affairs and the Minister of National Health and Welfare have emphasized, the need for continued discussions on the matter of disarmament, because nations armed to the teeth are always in danger even unwittingly of precipitating the last and final destruction.

Canada has tentatively attempted a lead in this regard. But it is interesting to note that any reference to disarmament by the Soviet seems to stress the A B C weapons, which have never yet been used to precipitate war. The atomic bomb was used to end the last world war; that fortunately has so far been the fullest extent of its use. It must be noted that wherever communist aggression has occurred in the world it has been carried out by means of superiority in conventional arms. It is therefore my view that any future war would begin with the use of conventional arms, and if our Soviet friends were sincere in their desire for disarmament they would have something to say on that score. Western frontiers have been engulfed by a slow process of attrition by means of

these weapons, and that aspect of disarmament should be remembered in any discussions that take place.

I would like to emphasize again the non-military aspects of the protocol now before us. It was at Canada's insistence that article 2 of NATO was inserted in the agreements. Unfortunately, due no doubt to our preoccupation with other matters, there has been very little attempt to implement the economic co-operation underlined in article 2, and in passing I would re-emphasize that if the responsibility the parliament of Canada is being asked to assume means anything at all it is the need to go much further than merely implement a defensive agreement.

Then there is the problem of the preservation of democracy in Germany, which is of basic importance. Only in a democratic Germany can we have any hope of avoiding a revival of the nazi military tradition. As I have already indicated, despotism always moves in the direction of the abuse of power, and certainly a nation having the recent historical background of Germany is in great danger from this threat. If the present democratic form of government in Germany collapsed, and despotism replaced it, all sorts of problems would have to be resolved on higher levels of foreign policy. We have to remember that Chancellor Adenauer is a very old man, and the fact that there will have to be changes in German leadership will present a problem difficult to handle by those entrusted with the responsibility of assuring the continuance of the democratic way of life in West Germany.

Then perhaps the greatest danger of all in dealing with this problem is the compulsion toward unification. It is rather significant that in any settlement or peace arrangement we have been able to come to with the U.S.S.R. the question of partition has always been involved. That was the solution in Korea; it was the solution in Indo-China; and unfortunately and tragically it was adopted as a solution in dealing with the problem of Germany. These arrangements constitute sore spots in all these countries, and the drive toward reunification on the part of all these national entities is likely to be the cause of a hot war breaking out in future.

Continuance of negotiations between east and west is of course fundamental. Since the change in the personnel making up the power structure in Soviet Russia there has been perhaps a new emphasis which is of utmost importance, and which should be remembered in any attempt we make to carry on negotiations with Russia if there is to be any hope that the present policy of containment might eventually be replaced by some reasonable and sensible policy of coexistence.

Summing up in the spirit if not perhaps the words of the hon. member for Prince Albert (Mr. Diefenbaker), we are forced to conclude that any action we take on this important matter is primarily an act of faith. The uncontrolled forces loose in the modern world make any other attitude impossible. Power politics turn the world in which we live today into a veritable madhouse. We wonder what Russia will do and what Germany will do. No one can say what the future holds, and perhaps even those countries cannot themselves provide a reasonable answer.

But I do believe we must continue to negotiate from strength. That has been the NATO solution, a solution which has worked most satisfactorily up to the present time. We must also remember that we are relying not only on military, economic, and political strength, but above all on the moral strength which lies at the very foundation of our Christian western civilization. That is why I say we must make this final decision as an act of faith. We must believe that the balance of western Christian morality will decide the issue in the long run on the side of God and on the side of humanity.

Mr. O. L. Jones (Okanagan Boundary): Mr. Speaker, I listened the other day with a great deal of interest to the excellent speech made by the Secretary of State for External Affairs. To my mind it was a speech designed to justify the action of the government in approving German rearmament. Since then several other hon. members have spoken along the same lines.

I noticed that the minister glossed over the history of Germany when armed. He glossed over the fears and dangers that engulfed us during two wars. Therefore, like several other members, particularly in this group, I feel that I should like to place on record my reasons for not supporting this resolution.

The hon. member for Winnipeg North Centre (Mr. Knowles) has already given the house reasons, with which I agree, which cover my case almost entirely. I want to make it quite clear that I am not opposing the admission of Germany into the family of nations. That action, by itself, is an excellent thing. I believe that everyone would support it. I believe the German people would vote for being admitted to the family of nations. I think that has the support of everyone in this house. However, I object to the package deal that is now before us, including as it does the rearmament of West Germany.

My memory goes back to 1914—and it has done so consistently over the past three or four days—when as a young man in London I listened to speeches made by prominent people, including both members of parliament and members of the public in London. I read the newspapers of those days and the posters exhorting the youth to join in the service of Britain. We were told that we had to do it in order to preserve democracy. We were told that nothing less than the full flower of Britain's youth pitted against Germany would bring about victory. We were told then that the challenge of Germany, if successful, would mean the end of our way of life. I well remember that statement. We were told that Germany must be defeated and must be forever effectively controlled.

On the basis of those statements and promises thousands of us joined, thinking we were being told the truth. After a long and bitter struggle we won the war. I have not the time in which to tell you of the price we paid, of the youths who died in the prime of life, or of the thousands of others who were maimed and crippled for life. You know the history of that war. Suffice it to say that those of us who survived looked forward to a peaceful existence for the rest of our lives, having accomplished what we set out to do, namely to disarm Germany once and for all.

Germany was disarmed. But before long people forgot the misery of the first war. I could not do so. I still cannot because I retain the memory of the day I joined the forces in August, 1914, in London, with six others who were also about my own age, five of whom paid the supreme sacrifice at the Dardanelles. Those are my memories. As a personal duty to those boys I knew so well, who gave their lives for a principle, I feel that I now must stand up and speak in favour of the same principle.

As the memory of the first war faded we gradually relaxed our controls over Germany. Although she was not allowed to build an air force, an army or a navy, she managed to produce some fine fighter pilots through the use of gliders, thus overcoming the restrictions placed upon her by the victorious allies. She was not allowed to build a navy, but she surreptitiously produced pocket battleships. She was not allowed to have an army, but she produced a small army composed almost entirely of officer material that eventually developed to the point where they could take charge of a vast army. All this went on before Hitler came on the scene.

When Hitler came on the scene they had reached a point where they were again strong enough to challenge the democracies that had defeated them a few short years previously. Once again the cry went out for recruits to stem the menace of a new Germany. Once again, in almost the same words, the same speeches were made. The same articles appeared in the press and the same posters appeared on the walls of buildings in England—and I might say in Canada —and again with the same results. Our youth responded. Incidentally two of my own sons joined the services in the last war, responding to the call. I too offered my services in the second war, as I did in the first, serving in the reserve army. This time it was to be a final war against Germany. Never again would they be allowed to arm and menace the world. Those are not my words. They are the words of Mr. Churchill, the Prime Minister of England, supported by other prominent men in the democracies, including our own country.

Again, Mr. Speaker, after a bitter and bloody struggle we were victorious. The second war was far more vicious than was the first. In order to see how much more atrocious it was, you have only to read the recorded facts with regard to prisoner of war camps such as Belsen, the gas chambers and all the atrocities that were committed in the second war, and compare them with those that were perpetrated in the first war.

I am convinced that a third world war would surpass, in violence and atrocity, both the others combined. It is even conceivable that the use of modern nuclear weapons would exterminate the majority of mankind, civilians as well as members of the armed forces. I therefore view with alarm the emergence of Germany as an armed world power for the third time. For this reason I cannot agree to sanction the rearming of this nation after having, twice in my lifetime, given years to try to disarm it.

An armed Germany will not bring stability and peace to Europe. The history of the last 50 years proves that statement. History actually proves that Germany has been the most disturbing influence in Europe. On what ground then do we now credit the Germans with better intentions? President Eisenhower, Prime Minister Churchill and our own Secretary of State for External Affairs have told us of lessening tension. Both the United Kingdom and the United States are reducing their manpower because of the lessening tension and are relying more and more on their superiority of atomic weapons.

This condition has been brought about without the help of Germany. Why, then, at this stage enlist an army of foot soldiers? They will not be allowed to carry atomic

weapons. We are now told we have too many. According to the experts, foot soldiers are already a surplus element in a modern defence system.

Instead of allowing Germany to rearm I think we should allow her to use that money to improve her own economic condition and the lot of her people. I believe building German homes would pay far greater dividends than would the building of a German army. The German people themselves would prefer an improvement in their economic lot. A happy prosperous Germany, to my mind, would be a more effective bulwark against the growth of communism than any German army could possibly be. For that reason there is a growing opposition even in West Germany to the proposal that is now before us.

In support of this contention that Germany itself is not in favour of rearmament I should like to quote part of an article that appeared in the *Globe and Mail* today. It is written by Dorothy Thompson, and reads as follows:

> The rearmament of Germany was launched by Mr. Acheson in September, 1950, right off the cuff. Since then even strategic plans of how to meet a possible Russian attack on Europe have changed. The answer would be an all-out atomic reprisal—and the Germans are to have no atomic weapons. Thus the political stability of West Germany and France and the confidence of both countries in the United States are being sacrificed to 12 German divisions which, were war to come, would be worthless, but whose existence makes war more, rather than less, probable. So, at least, argues the growing opposition in West Germany.

In a few words, Mr. Speaker, that is the reason I cannot support this resolution at the moment.

Mr. J. H. Blackmore (Lethbridge): It has been one of the richest experiences of my life, Mr. Speaker, to sit and listen to the discussion of this measure that has taken place thus far in this house among all hon. members. I honour every one of them, and in so far as I may disagree with any I do not mean that to be any reflection on them. This is a most contentious matter.

One thing I wish to point out, Mr. Speaker, and which I wish I could get into the mind of everybody in the Dominion of Canada and the United States, is that we have been talking incessantly about the fact that Germany rearmed and fought. We have not heard a single word as to why she did. Not a single word has been said about the economic pressures under which Germany was placed. Not a word has been said as to how those economic pressures might have been removed and might now be removed, thereby removing the cause of war and probably solving our problem directly.

I am not saying for one minute that the Germans were not culpable. I hold no brief for any of them. Nevertheless, would you not naturally expect that in a chamber of 265 intelligent members some attention would be given to this question of the probable cause of world war I or world war II? I do not believe there is a member in this house who has not heard that a fighting war is the result of an economic war. I wonder if there is a single member in this house who has not heard that economic warfare brings on fighting warfare. Would there not be some reason to suppose that fighting warfare was brought on by economic warfare? It will be along that line, to some extent, that I shall aim to direct my remarks.

Many earnest people, Mr. Speaker, have asked me to vote against German rearmament. Many have told me that they would watch my activity and read my explanation of my vote. I feel called upon for their sake to give my personal reasons for voting for German rearmament. What I shall say will be said on my own responsibility as a member of parliament. My words will in no respect commit any Social Crediter in Canada, and that includes every one in this group. I support 100 per cent the position taken by the hon. member for Peace River (Mr. Low) in his excellent speech on January 20.

First of all I congratulate the minister on a great forward step in organizing a counter-attack against communism. A counterattack far broader and deeper than this has been in order for at least six years in this country, and very little has been done about it. All last year I argued in the hope of getting some sort of organization against communism, and now we have one step in this respect.

One of the main reasons urged by the opponents of rearmament is that the Germans, as a people, are unworthy to be trusted with arms. They seem disposed to believe that the Germans are in some hereditary way peculiarly base and unreliable. They seem to assume that the Germans have, of necessity, been the fundamental cause of each of the wars in which they have been involved. I was well pleased with the realistic approach of the hon. member for Vancouver South (Mr. Philpott). He indicated that a great deal of that thinking must be essentially fallacious.

May we examine the validity of the position that is taken? Emotionally I have much to set me against Germany. In world war I I lost nearly all the best friends I ever had, my university pals, who went into the service

and are lying in Flanders' fields today. In world war II of my three brothers who enlisted in the services, one fought all through the terrible scenes in western Europe. I had three sons involved, one of whom paid the supreme sacrifice in the attack on Peenemunde on the fateful night of August 17-18, 1943; that was my son Winston W.

However, I must not allow things like that to affect me. I am in a responsible position. It is my task to try to determine, along with my fellows, what is the best thing to do in the situation we face right now.

To what extent were the Germans responsible for world war II? If we can find that out, then we shall be in a better position to judge the validity of the contention that the Germans are unworthy in every way to bear arms. First of all, what are the causes of war? There are many causes, but we shall name five which, I believe, are the chief ones. The first is racial ambition. The second is religious ambition, and let that not be forgotten. The third is ignorance, and that I believe played a terrible part in this last war, ignorance on our part because we did not know the truth. The fourth is the struggle for safety, for instance boundaries that are easy to protect. The fifth is the struggle for existence.

Let us consider cause No. 5, the struggle for existence. I believe that everyone has an inherent and inalienable right to life. I believe every member of this house will agree with that. One of the great figures in world war II said that a child born in Tokyo has the right to just as good a living as a child born in Washington. There is no answer to be given to that statement. I believe we will all agree. I agree. The big question is how to guarantee the child born in Tokyo the chance to have the standard of living which the child born in Washington can have. We are not, in the main, directing ourselves to that problem and how to answer it.

Everyone has an inalienable right to the means of supporting life: food, clothing and shelter. This requires a set of circumstances under which, by his own effort, he can obtain those things. If in any part of this world we have any considerable number of people who are deprived of access to the means of life, then we have a situation which is a breeder of trouble. If people are denied the enjoyment of this fundamental right to life they fight, if they are strong enough to fight. And if they cannot fight, they die; they eke out a miserable existence and finally give up the ghost.

Access to the means of life is to be gained legitimately by delivering either services or goods. What services, what goods a nation shall deliver has to depend upon the resources it possesses in the territory occupied, and upon the number and nature of its population.

Have we examined Germany? Have we given consideration to the number of people there are in Germany or to the geographical situation of Germany? Have we considered the rapidity of increase of the population which is natural to Germany; have we considered their natural resources, or their need for trade? Have we given consideration to all those things, to see whether or not the Germans might be in an intolerable position? If we have not, then we had better look very carefully before we go too far with some of the items contained in this resolution.

Let us now consider Germany in relation to these fundamental principles of life, while we contemplate her history. In the light of all considerations, let us now seek the causes of world war II, from Germany's point of view. What were the causes of world war II, for Germany? Most people blame Germany for world war II. Let us begin by assuming that Germany was to blame, while we probe about in recent history seeking to assess the extent of Germany's culpability. Winston Churchill called world war II "the unnecessary war". It was unnecessary from whose point of view; Germany's? Or was it unnecessary from the standpoint of those who constrained Germany?

We shall begin with the treaty of Versailles in 1919. Germany was broken; she was bereft of all her colonies. She was burdened with a set of penalties impossible for her or for any people to sustain. Her war debt was so great that to service it forced her into disastrous inflation, ruining her property values. A number of investors, including many eastern European aliens—and I draw everybody's attention to that expression "many eastern European aliens"—swooped down upon her and bought up vast amounts of her properties.

The republic established by the treaty was feeble. Germany stumbled along, with numerous political parties, and a near paralysis of government. Two parties finally emerged as powerful. First was the communist party, many of whose leaders were eastern European aliens. Mark that. The second was the national socialist German workers' party. Faced with harsh alternatives, the Germans chose the native party, making Adolf Hitler chancellor on January 30, 1933.

Five weeks later Franklin D. Roosevelt was inaugurated as president of the United States. On August 2 President von Hindenburg died and on August 19 Hitler was made both president and chancellor of Germany.

North Atlantic Treaty

Hitler issued a series of tirades against communism, considering it a world menace. Roosevelt, on November 16, 1933, gave full diplomatic recognition to Soviet Russia—now there is an exceedingly important matter—as the result of the activity and influence of Litvinoff, Dean Acheson and two others, very prominent American figures whose names I shall not give here, but which I could give instantly.

One potent factor influencing Roosevelt toward recognizing red Russia was almost certainly the more than three million eastern European aliens who had immigrated into the United States and joined the Democratic party, and who had made known to the Democratic leaders that they would support the Democratic party in return for having men of their choice placed in certain administrative positions of influence in the American administration, where they could exercise control over United States foreign policy. There is one of the most serious facts in all modern history.

The German government had at that time the responsibility for feeding, clothing and sheltering 62 million people in a territory about the size of Texas. How would hon. members like to contemplate endeavouring to keep 62 million people in Texas, or in an area about one-third the size of Ontario? That was the task the German government faced in those days. I would like my hon. friends of the C.C.F., whose earnest remarks I honour, to ask themselves what they would do if they had a group of their own people in charge of Germany under conditions of that kind. I would ask those members to think it through and not give just some careless opinion, such as ordinarily they give to us.

Germany began to implement a policy which might be characterized as Germany for the Germans. It was a policy which in some respects might be likened to the more recent policy of Mossadegh in Iran, relative to British control of the Iranian oil industry. In effect Mossadegh said, "These oil reserves belong to us. Let us control them. These people have come in here and built industries from which they derive the benefit, and from which we derive nothing. Let us see that we get adequate returns from these industries."

This pro-German policy of the German government naturally was opposed by the non-German stock numbering about 510,000 in 1933. In particular it was opposed by those who were eastern European aliens—mark that again—many of whom were communists. Most of these aliens had bought German property in 1923, greatly to the detriment of Germany. Naturally these non-German aliens were unwilling to lose through the government's action any degree of their position of financial and other power acquired in large measure during Germany's hour of deep distress, occasioned by the famous German inflation and collapse of 1923. These non-German aliens—communists—therefore appealed to certain of their friends with influence in New York and elsewhere. Once again I ask my C.C.F. friends what they would have done, had they been in office.

In 1933 an international boycott was organized by these friends in New York to bring Germany to her knees, or to terms. Instructions went out to all friends of these non-German aliens of eastern European origin and loyalty, largely communists, that first, they should buy no goods made in Germany. Again I ask my C.C.F. friends, what would you have done under conditions like that? The second instruction was that they should refuse to deal with any merchant or shopkeeper who was selling any German-made goods. The third was that they should refuse to buy any goods from anyone employing German ships or shipping. Once again, what would my C.C.F. friends have done had they been in charge of the country when that happened? Think it through.

Arrangements were made by these aliens of eastern European origin, largely communists, to extend the boycott to include France, Holland, Belgium, Britain, Poland, Czechoslovakia and other lands even as far away as Egypt and Finland. They did the job up pretty thoroughly, did they not? A C.C.F. government in charge of that country would have been facing real trouble, would it not?

In connection with the boycott, the anti-German campaign that had been going on steadily in the United States ever since world war I suddenly broke out with great violence, almost as though it had caught fire. Who was behind that? Germany was denounced in several influential New York newspapers, as well as over the radio. In saying this I am just recounting history, and recording the facts as they occurred. I am making no comment and offering no interpretation of the facts.

The public were dazed by all this propaganda. The United States government soon placed upon German imports her general tariff rates instead of the lower most-favoured-nation rates which all other nations enjoyed. What would you have done about that? This measure slowed down German imports into the United States, but did not stop Germany from manufacturing export goods. The United States then took a further step. She raised her duties against German goods by amounts

ranging from 22 per cent to 56 per cent in addition, mind you, to having placed German goods under the general tariff. Within about six months this measure caused German exports to the United States to dwindle to practically the vanishing point.

Next, certain anti-German, presumably communist, international financial interests made an effort to call sufficient German treasury notes to break Germany. Men in the house with financial experience will readily recognize what that was. The German government successfully met this manoeuvre by giving a substantial bonus above the current exchange rate to all foreigners who would come to Germany, exchange their currency for German marks and spend the marks there.

Germany made great preparations for welcoming strangers to such gatherings as the world conference on recreation and leisure time in Hamburg in August, 1936. Special trains of school children came from as far away as northern Norway. Visitors were shown every courtesy. The result was that tourists spent enough in Germany to keep the German mark stable. That was an extreme measure adopted to meet an extreme situation, over which a C.C.F. government in Germany could have no control.

Mr. Winch: How about telling us what you would do, instead of misinterpreting what you say we would do?

Mr. Blackmore: I am making this speech, and in time I shall tell you what I would do.

Mr. Winch: You have not the fortitude.

Mr. Deputy Speaker: Order.

Mr. Blackmore: Any time my hon. friend wants to enter into a debate with me on the floor of the house he is welcome to it. Evidently I am getting quite close to some place that hurts.

But this did not supply the increasing need of the 62 million German people for various raw materials and other imports from abroad, such as wheat. These imports Germany could buy and pay for only with exports, which exports she was forbidden or prevented from making by those measures I have already referred to. Roosevelt continued his policy of economic warfare upon Germany; yet in his public utterances for some time he kept up talk about a policy of non-intervention in the internal affairs of foreign nations. In two speeches in the summer of 1937 he said:

> Our national determination to keep free from foreign wars and foreign entanglements.

Those were his words, but a few months later Roosevelt made a complete about-face, probably the most complete in the whole history of United States foreign policy, a very important matter leading up to the war. On October 5 in Chicago he delivered his famous quarantine speech. Let me quote:

> . . . let no one imagine that America will escape, that America may expect mercy, that this western hemisphere will not be attacked.
>
> When an epidemic of physical disease starts to spread, the community approves and joins in a quarantine of the patients in order to protect the health of the community against the spread of the disease.

That was a most important speech. In the United States the speech was considered most inflammatory and provocative of war. It caused unprecedented consternation among people in the United States. Certain newspapers outspokenly opposed the quarantine speech. Chief among these was the Chicago *Tribune*. The communist *New Masses* enthusiastically favoured it. I wonder why. Earl Browder, a national communist leader in the United States, was so highly pleased with it that he promised the Roosevelt administration the "100 per cent unconditional support of the communist party", provided Roosevelt adopted a hands-off policy toward communism. The majority of United States people called for clarification of the quarantine speech. What did it all mean? No explanation was given. The conclusion most people believed obvious was that the speech referred to Germany and Japan.

The German government, first in 1937 and again in 1938, made "a sincere effort to improve relations with the United States, only to be rebuffed". The United States government gave as its reason "a fear of domestic political reactions in this country unfavourable to the administration". Germany was told that the American public would not tolerate a conference. The Roosevelt administration blocked Germany's further efforts for peace by withdrawing the United States ambassador from Berlin, thus peremptorily preventing future negotiations. Germany was then forced to withdraw her ambassador, "who was personally friendly to America".

Through censorship the United States public for more than ten years were kept from knowing anything about these appeals and their sequences. That was in America the free! Even then the facts were ferreted out and made known only by the un-American activities committee.

Being thus economically strangled by an international boycott, headed in New York, the Germans in the late 1930's had to provide work for their unemployed by hiring them on government-sponsored projects, including

armament factories. The series of events I have just related, together with the reactions Germany met in countries around her, convinced the Germans that they were the victims of "encirclement" on the part of Britain, France, United States and Soviet Russia. This caused the Germans to make the deal with the Soviet union in August, 1939, to partition Poland. This move directly precipitated world war II.

The Acting Speaker (Mr. Applewhaite): Order. It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Blackmore: Mr. Speaker, before the house took recess I indicated by my remarks that much of the blame for world war II must be fastened upon the United States, the communist party, particularly great international figures who played prominent parts in the communist party, and President Roosevelt, president of the United States from 1933 on.

I mentioned serious economic pressures under which debtor nations are placed in the conditions which surround them in the world today. Strangely enough the creditor nations are not so seriously suffering from these pressures, but the debtor nations who most need assistance are suffering. I shall aim to refer particularly to a number of them in a minute or two.

Before recess I made a number of statements of tremendous importance. I realize how serious the statements were and I made them deliberately. I would not have made them if I had not ample evidence in support of everything I said. These facts are important not only for appraising the past and the present, but for planning for the future. If we desire honestly to build up a world in which we can be free from wars we must be guided by the things which can be learned, and which I stated, in my earlier remarks.

Those desiring to check the accuracy of the information I have given thus far in this speech will find all the proof required in four sources which I now quote; firstly, in the works of Dr. John Beaty, who I believe is probably as great an authority on these matters as is to be found on the American continent; secondly, in a book called "American Foreign Policy in the Making, 1932-1940" by Professor Charles A. Beard, published in 1946; third, "Design for War" by Frederick R. Sanborn, published in 1951; fourth, "America's Second Crusade" by William Henry Chamberlin, published in 1950. A careful perusal of these four authorities will satisfy anybody that what I said is moderate as well as true. I have referred to gross abuses of terrible power possessed by unbridled internationalists, all of whom appear to be much inclined to communism or are perhaps actual communists.

But besides all these particular provocations which were suffered by Germany in common with other debtor nations from 1933 onward, there existed a standing irritant that had been oppressing all nations other than the United States for a good many years. What I now refer to is the unconditional most favoured nation clause which was constantly urged and insisted upon by the United States.

The definition of this clause was first made in President Wilson's famous 14 points, announced in 1917. It is point No. 3, calling for the most favoured nation clause for every nation. The unconditional aspect of it had not yet been declared.

The most favoured nation clause called for in point No. 3 of Wilson's 14 points was changed to the unconditional most favoured nation clause by the United States in 1922, and from that time constantly insisted upon. If I have time enough I will give a little explanation so those people out in the country who read these remarks will be able to form some idea of the iniquity of the unconditional most favoured nation clause. Roosevelt's new deal administration demanded compliance with the clause, and this fact alone rendered the position of Germany intolerable, without adding all the other things which I have referred to previously.

Now I wish to say just a few words to the minister and to my fellow members of the house. As I read the measure which is before the house, the only provision which is made to give economic help to nations in need is the building up of a set of vises by means of which we can clamp on every nation in the world the iniquitous features of the unconditional most favoured nation clause, whether they are able to endure them or not. If I am wrong the minister will have a good opportunity to reply, but I insist I am right.

What is the use of building up the United Nations, a central agency which will deprive individual nations of their sovereignty, without modifying those economic influences upon the nations which render their lot unbearable? How can anyone seriously contemplate such iniquity as that? Apparently that is what

the minister and the other planners who are working along with him have in mind. I hope I am wrong, but if all goes well I am going to give the minister ample opportunity to explain that situation to the house before we get through this year. There is just no use setting up a situation which is impossible.

We are led to believe by a wide variety of propaganda that all that is necessary to avoid war is to give away the sovereignty of the people. Take an illustration. We are insisting upon provincial sovereignty in this country, and in the United States they insist on state sovereignty. Would anyone in either of those two countries consider for a minute depriving one of those units of its sovereignty in order to place it in the hands of a central government, even though that central government were composed of the same flesh and blood, were the same kind of people as those in the provinces?

How can we seriously contemplate taking away the sovereignty of a nation, Canada, Great Britain, the United States, Germany and all the others, and placing it in the hands of a central power, especially when we have not the slightest idea as to who are going to constitute that central power, how the members are going to be selected or how they are going to be checked up and rendered responsible to the people?

I promised I would take a few minutes to illustrate the unconditional most favoured nation clause. Will you imagine two little countries like Czechoslovakia and Rumania, before either of them was brought in behind the iron curtain? Will you remember that each one of them is struggling to be sure that it does not import any more than it exports, trying to be sure that it produces as much of its own needs as it is possible to produce so as to avoid the dangers of international trade which would likely create international debt? We can fully appreciate that in Canada because of our adverse balances of trade.

These countries must have the needs of life. Czechoslovakia would be needing Rumanian oil, which that country would be able to produce in surplus, and Rumania would be needing the munitions or machinery produced by the Skoda works in Czechoslovakia. Rumania would be in need of those very things which Czechoslovakia had in surplus. Czechoslovakia would be anxious to have Rumanian oil just as Rumania would be anxious to have Czechoslovakian machinery and munitions.

A simple device would be for Czechoslovakia for instance to say to Rumania, "Now, Rumania, we will lower our tariff against your oil, we will let it come in at a much lower rate if not free entirely, if you in a complementary way will lower your tariff against our machinery. In that way you will get the machinery you need plus a market for some of your oil and we will get the oil we need and a market for some of our machinery. We will both be better off."

The unconditional most favoured nation clause announced by the United States in effect amounts to this: The United States says to any nation in the world, "If you lower your tariff against the goods of any other nation in the world, you also have to lower your tariff similarly against our commodities."

Let us see how these two little nations would find this to work out. Czechoslovakia lowers her tariff against Rumanian oil, and the United States sends in her oil, if you please; but she refuses to take in payment munitions from Czechoslovakia. Czechoslovakia would become indebted to the United States and Rumania would not obtain a market for her oil.

Rumania lowers her tariff against Czechoslovakian munitions, and the United States sends in munitions, refusing to accept oil in payment. Rumania falls into debt to the United States, while Czechoslovakia fails to get the market for her machinery.

We see those two countries thus put into a position which is ever so much more difficult because one power, the United States, has insisted that if any nation gives a reduction in its tariff to any other nation it must give it also to the United States. That is how the unconditional most favoured nation clause works out in action. When that mechanism is applied all over the world it creates a situation which is much worse, even intolerable. The lot of the weaker nations is made absolutely unsupportable, forcing them into debt and disaster.

Now, Mr. Speaker, what we as members of this house should ask ourselves is this. Is there any means whereby we can build up some medium through which we can bring the United States to use common sense in the application of the unconditional most favoured nation clause? We should also ask ourselves whether there is any means whereby we can protect nations with weaker economies. If there is not then all the talk of solving the economic problems and the peace problems besetting this world is idle and futile. An international organization which would deprive nations of sovereignty would only unnecessarily complicate the issues. In these terrible days when people of every nation are crying out for a lead my plea is, "Let us use our heads."

Mr. Daniel McIvor (Fort William): Mr. Speaker, I feel it is my duty to declare myself on this issue, particularly in view of what I have seen and heard not only over the last few weeks but in the past few years. What I have to say tonight will not be quoted from a book, and the speech will be entirely my own.

I have received many delegations at Fort William; some of which have interviewed me many times. Most of them advocate the same line of policy. There was only one individual among them who did support the labour progressives, and I personally appreciate his reasons for opposing German rearmament. I told these delegations that I would not declare myself on this issue until I heard from the government leaders and from leaders of the opposition parties in this house. I have followed that policy. One delegation from Toronto requested me to ask the government to wait and continue to wait. He did not know my disposition. When I have a thing to do I do it now, because an opportunity comes only once.

These deputations urged me to vote for delay. I would like to briefly state five reasons why I support the resolution submitted by the Secretary of State for External Affairs. First, I support it because of the character of those who have submitted the motion, and of the leading men on the other side who oppose it. I do not require to name the two outstanding Canadians who support Russia. I do not know whether they are in the employ of Russia, though some believe they are.

When I compare the character, past record, influence, and service to God and country of the Secretary of State for External Affairs, and the Minister of National Health and Welfare, with the character of these two men supporting the opposing campaign across Canada, then I can conceive of no better reason why I should support this motion.

My second reason is that since the last war members of this government have planned, worked, and campaigned for a permanent peace. I do not think that can be denied, and indeed it is quite evident throughout their speeches. The government want peace, and in seeking that permanent peace they consider the rearming of Germany one of the major safeguards.

My third reason for supporting this motion is the government's announced policy in favour of disarmament. Fourth, I believe in the efficacy of the rigid controls which have been inserted in the agreement with regard to the rearming of Germany. Germany cannot do just what she likes in this regard, and the minister has convinced me that the controls will be effective.

My fifth reason for supporting this motion is the difference between Germany east and west, or between West Germany and Russia, which amounts to very much the same thing. The last election held in West Germany was a free election. When did we ever have a free election in Russia since the revolution? There is one party in Russia controlled by one man, and anyone who dared stand up and find fault with their conduct of an election might not vote again. I believe there is far more to be hoped for from West Germany than we could ever possibly hope for from the east.

I would like the Secretary of State for External Affairs to answer one question when he rises to reply. If the United States, Great Britain and those supporting them had not stopped the communists in North Korea, what would have happened? Which country would have fallen next to the communists?

I have had some personal experience of communist tyranny through the arrival in Fort William of several families from Latvia and Estonia. One lady in particular is now serving in McKellar hospital as a nurses aide. Her first husband was a judge; her present husband is an outstanding lawyer who is now working in a camp, and he has made the statement that every time he uses an axe on a tree it is a blow for freedom. The other family lost everything, for they had to move out as the Russians moved in. Indeed, what was the use of being a judge in Latvia when the Russian government was in control?

There have been many fine speeches from the other side of the house, but the two speeches on this side which stood out in my mind and helped me come to a decision came from the hon. members for Cartier (Mr. Crestohl) and Spadina (Mr. Croll). I know something of what the hon. member for Cartier went through. Indeed, I remember telling hon. members that he would be criticized by those who sent Fred Rose into this house, who afterward was the cause of his own dismissal.

When I think of Russia today I recall the statement by a very distinguished man who, in addressing a meeting at Fort William, said there would be a revolution in Russia that would overshadow the former revolution. It is well known that those who come from slave camps in Russia say that all that is now required is a spark to light the revolt. Why? Those people have no rights; they are half

starved; they are tortured to death. Certainly they have not the opportunity to speak for themselves.

Look at what is happening in Korea, with new airfields rearmed up to the hilt. What would happen if they were now allowed to go south in Korea? The result would be that South Korea would not be there, that is all.

It has been said several times in the house, why rearm East Germany and not West Germany? As one hon. member said, we would give West Germany its place in the North Atlantic organization, but would not give them their freedom. If we admit them, we should give them everything the other nations have.

For these five reasons I must support the motion.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, the reasons we should support the present resolution have been, I was going to say, adequately but I would prefer to say brilliantly expressed already by the Secretary of State for External Affairs, the hon. member for Prince Albert and others, and I have no intention of taking up the time of the house by attempting in a much less adequate way to repeat what has already been said. However, for a few minutes I should like to comment on some of the objections that have been raised to this resolution by some of the members of this house who have expressed their intention of voting against it.

As I have been able to gather the four reasons that have been given so far by those opposed to this resolution are, first, that many have deep personal convictions; second, that Russia might be irrevocably antagonized if the Paris arrangements were ratified; third, that Germany must not be rearmed as she is a potentially dangerous nation; and last, as one hon. member put it—I believe it was the hon. member for Winnipeg North Centre —the convention of the party of which he is a member had objected to it at a meeting last summer and had reaffirmed the objection a few days ago.

I should like to deal at some little length with each one of these points. First there is this matter of deep personal conviction. If a person is opposed to the ratification of these arrangements made in Paris on a personal basis, and if this opposition has been arrived at on a basis of reason, then nobody can quarrel with his position. Every one of us knows that one of the privileges we have in this house is that of arriving at our own conclusions after examining the facts. However, if anybody is basing his stand purely on emotion, without having thought the matter out, it is not a valid reason to say that he has a deep personal conviction. If the personal convictions are based on reasoning, that is all right; but if they are based on emotion, it is not.

As to the possibility of antagonizing Russia irrevocably, I am afraid I do not think this is a valid argument. From the things we have heard from the Secretary of State for External Affairs, and from reading the debates in the British House of Commons and elsewhere, I think we may safely assume that Russia is undoubtedly armed to the teeth as it is, and that she has armed her satellites to the teeth. I do not think we are likely to antagonize her any further by rearming West Germany. We all know—and it has already been reiterated many times in this house—that you cannot negotiate and deal with people from weakness when the people with whom you are dealing have the morals and outlook of bandits. There is no use in trying to deal with people such as that when that is the attitude they have.

There are plenty of historical examples, and I shall mention one or two. If you go far enough back, to the twelfth or thirteenth century, you have the case of the famous Asiatic conqueror, Genghis Khan. Cities like Samarkand in central Asia had tried to treat with Genghis Khan. They offered him presents and tried to appease him. He took the presents, and of course he took the cities and the people were treated very badly, if one cares to go into the details of what happened.

We have, of course, a much more recent example of what happens when you are trying to deal with a country that is bent on world conquest—admittedly so—and is armed to the teeth. In 1939 I think we all remember that in numerous European countries—and, I am afraid, in many countries which are closer than that—people did everything they could to avoid war. Germany was appeased right and left, and we all remember the ultimate result. Germany accepted appeasement and took whatever she liked, until finally it was decided that she could go no further, and that there were some things worse than war.

It seems to me that those who have been objecting to the ratification of this agreement have been bringing out this old line of appeasement again. In fact it is virtually undisguised. Looking back, I can remember the 1930's when I was attending university and taking a course in political science. I think most of us who took the course in that period became greatly interested in socialist

doctrines, and we used to have what were called "bull-sessions" over the matter. When I heard some of the arguments that have already been presented in this house opposing the ratification of these agreements, I had the strange sensation that many of us get occasionally of having heard this before, that strange "I have been here before" feeling. I looked back to the common room in the university which I attended, where I had heard almost exactly the same arguments, that we must not do anything to antagonize this person or that person. It is true they may be arming to the teeth and we are fearful of their intentions, but if we do anything to arm ourselves in order to protect ourselves or to form an alliance, all we are doing is antagonizing them and all we will do is bring war upon us.

When 1939 came we all said, "We will never think that way again; that kind of thinking has gone forever." But, Mr. Speaker, I am afraid it has not gone forever when we hear these same ideas expressed again. They say it is all right for your neighbour to arm to the teeth when he has the avowed intention of conquering you or setting forth on a plan of conquest, but it is wrong for you to do that because if you build up armaments it will antagonize him all the more.

Human thinking is sometimes a little difficult to change. I know people who are avowed socialists and who sincerely believe that war is a bad thing. We all believe that, Mr. Speaker. Nobody likes war. Those of us who have been through a war, have lost friends and relatives and have seen people killed, do not like it. But, as I say, the thinking of some people who belong to the socialist party—and I imagine there are others also—sometimes gets to the point where I have heard it referred to as atrophy of the mind. They do not like to change the basic thought pattern they have had for many years.

This type of people was clearly illustrated the other evening in the city of Montreal, when I was seeing this new film process called cinerama, a most interesting thing. The subject of this film was the reproduction of a section of one of the great operas, Aida. It was filmed at La Scala opera house in Milan. At the end of the film I overheard a conversation between two persons who were sitting behind me, and I was interested especially in the remark of one who said, "I never realized grand opera was as wonderful as that; but then, after all, I would not want to sit through one."

I think that incident illustrates the point I have in mind. It is difficult to change one's thought patterns. Once people get in their heads something which has been drilled into them at an early age, it is extremely difficult to get it out. As I suggested, that might apply to some people among the socialists, but I think it illustrates what I am saying.

Along the same line, we have already heard that it would be a dangerous thing if West Germany supplies us with 12 extra divisions, that the Soviets will just put 12 more divisions in Eastern Germany. I think that is a rather spurious argument, because General Gruenther, who is in charge of NATO defence, has probably fairly carefully worked out what forces he considers to be adequate for the defence of western Europe. Having arrived at that conclusion, he has decided that 12 divisions from West Germany would be adequate. Even considering what manpower the Soviet have or could produce, the armaments the Soviet could produce and so on, I do not believe it likely that Russia will increase the forces very much more than she has.

The third argument I should like to touch upon, and which is basically wrong, is that we should not rearm Germany because she is dangerous as a nation. I am afraid this point of view is the result of some rather false conclusions drawn from certain facts upon which I shall touch. Nations or cultural groups react differently when faced with different sets of circumstances. There are plenty of historical examples to illustrate this. However, in referring back to history you must be careful to choose examples that illustrate the point you want to illustrate. In this case we are trying to illustrate a point by referring to one group of people in the past—and we can learn from history—who have reacted very differently within a short space of time to a different set of circumstances.

Let us look at our own country, Canada, before 1837. In Upper Canada, and I presume in Lower Canada as well, people were anxious to have responsible government. At that time the governors we had from across the water and their friends, who were known as the family compact, did not look kindly upon responsible government. As a consequence active rebellion broke out. However, after Lord Durham came over and made his famous report people behaved quite differently. The other day the hon. member for Vancouver South (Mr. Philpott) illustrated this point by saying that the Six Nations Indians had their own little NATO. I would not use that as an example, but I would like to use the Indians to illustrate this point.

The Indian tribes in western Canada and the western United States were basically the same people. True they were different tribes, but they moved back and forth. In the United States, as we all know, some trouble

was experienced at the end of the last century because of the treatment of the Indians, whereas in Canada, where they were treated somewhat differently, we had no trouble at all or at least very minor trouble.

There are numerous other examples if you want to go far enough back into history. You could refer to the fact that about 1,000 years ago the emperor Charlemagne invaded the northern part of Italy. He treated the Lombard princes very kindly, and they thought this was a big joke. They murdered all his envoys. He came back and used the iron fist on them, and they reacted differently. On the other hand, when Charlemagne invaded Saxony he tried to be hardboiled. This did not succeed, so he started to be very pleasant and obtained good results. These examples show that the same people under different circumstances can behave differently.

To what does this all lead up? It leads up to the present problem of Germany. In 1919, after the first war, a different set of circumstances existed in Germany than those which existed in 1946. After the German empire was formed under the aegis of Prince Bismarck, conditions in Germany were very good. I was going to say that it was all beer and skittles, but perhaps sunshine and beer would be a better term. The people had a fine time.

In the first world war there had been no invasion of Germany, no damage in Germany. It is true that there were troops in Cologne, but apart from being deprived of certain of the necessities of life the Germans had not suffered severely. They looked back upon the Germany of 1914 and remembered the good times. They wanted to return to those conditions. They felt they were not defeated but had been betrayed by somebody in the government; and consequently they looked for a return to that way of life. Eventually, after a few weak governments, along came Hitler. The people were ripe for him and events followed from there on. There is no point in going over them because everyone in the house knows them as well as or better than I do.

After 1946 Germany was in a totally different state from that of 1916. Germany had been ravaged as no country had been ravaged since Carthage. The people had been physically and emotionally injured. They were looking for something different, because even before the war started there had been hard times. Their work had been going for guns and not for butter as the late and unlamented Hermann Goering used to say.

We have a totally different set of circumstances. After the first war the idea of Clemenceau and others was revenge. After world war II we felt that idea had not worked. The whole attitude of the western countries was to try to rehabilitate Germany. I feel it can be safely said that this policy has worked extremely well in Japan and gives every indication of working well in Germany.

For the reasons I have already stated, I do not feel we have to fear the German nation today. There is a different set of circumstances existing today from those which existed after the first war. The people have been treated differently. I cannot help but feel they will be good citizens of the North Atlantic community of nations and of the community of nations generally.

I should like to deal very briefly, Mr. Speaker, with the fourth objection set out by the hon. member for Winnipeg North Centre. The same stand has been taken by a number of the members of the C.C.F. party. In order to avoid misunderstanding I should like to say at the outset, so I will not be accused later of taking this debate off the high level on which it has been, that I am not insinuating anything against any member of this house. I am not insinuating Russian sympathy or anything of that sort. When I specifically refer to the members of the group to my left I have no intention of insinuating any such thing in the remarks I am going to make. I have become acquainted with some members of that party since I have been here, and I have the greatest respect for them and for their integrity. I do not wish any misunderstanding.

I should like to refer, however, to the speech made by the hon. member for Winnipeg North Centre in the early stages of this debate. I quote from page 393 of *Hansard* for January 20, 1955, where the hon. member said:

> I also take this position because, as my leader pointed out this afternoon, it is the position of the movement to which 24 of us in the house have the honour to belong. As my leader pointed out, at our national convention in August 1954 a decision was taken against the rearming of western Germany at this time.
>
> Further, as my leader pointed out in his address this afternoon, the matter was under very serious consideration at a meeting of our national council this past week end. That meeting of course was held with the knowledge of the debate to be undertaken in the house this week; and the view of that council by majority vote was that we should oppose the rearmament of Western Germany at this time.

As we all know, the hon. member for Winnipeg North Centre has opposed ratification of the Paris agreements.

While I have not heard any other members of the group to my left who have opposed ratification of these arrangements give the

same reason that was offered by the hon. member for Winnipeg North Centre, I cannot help feeling that probably some who have not yet spoken and some who intend to speak will be objecting to the ratification of these arrangements, and that one of the reasons they will give for their objection will be the one offered by the hon. member for Winnipeg North Centre.

I find this a strange reason, because the decision reached at the national convention of the C.C.F. party last August was made before the present arrangements were drawn up. I find it difficult to understand how that convention or meeting could form a conclusion when the arrangements had not been made upon which they were deciding. I find that strange indeed. And the hon. member mentioned that the executive council of this party meeting last week had objected to ratification. Yet according to the information given to us by the Secretary of State for External Affairs it was not known at that time. Again we have a case of making a decision without knowing what were the facts.

I should like to refer briefly to the attitude of the C.C.F. party, or a substantial part of it, since 1939. I would point out that their attitude in respect of resistance to aggression has been rather out of line with the Canadian point of view generally. It has proved to be unrealistic and, if I may say so, wrong.

First of all I would refer to *Hansard* for 1939, the second session, where at page 55 the hon. member for Rosetown-Biggar (Mr. Coldwell) was setting out the views of his party concerning the declaration of the second world war. At that time he said:

> In view of these considerations, the Co-operative Commonwealth Federation believes that Canada's policy should be based first on the fundamental national interests of the Canadian people, as well as on their interest in the outcome of war. Canada should be prepared to defend her own shores, but her assistance overseas should be limited to economic aid and must not include conscription of manpower or the sending of any expeditionary force.

And again on the same page:

> No military participation overseas. Any attempt to send a force abroad would rob us of the manpower necessary for the defence of our shores and for home production, would gravely endanger national unity, would threaten our civil liberties and democratic institutions, and would ultimately lead to conscription.

And finally at page 57 the hon. member said:

> We believe, as I have said, that the sending of expeditionary forces is unnecessary and unwise.

Then to continue on from 1939 I would refer briefly to an editorial in this morning's Montreal *Gazette*, headed "Canada's Bevanly Host". I shall refer to only a short portion of it, in which reference is made to the policy of the C.C.F. since the close of the second world war. It states:

> In fact, varying degrees of opposition have appeared within the C.C.F. to nearly every step taken since the end of the second world war to resist communist expansion.
>
> When the Marshall plan was inaugurated, it was officially condemned by the Manitoba convention of the C.C.F. as being "framed to provide capitalists with markets, rather than to help the people of Europe".
>
> When the United States supported the Atlantic pact (out of which NATO has grown) the provincial convention of the C.C.F. in British Columbia passed a resolution opposing "any further expenditures on arms." After the Korean war broke out, the C.C.F. premier of Saskatchewan, Hon. T. C. Douglas, said that the United States was trying to use the United Nations to protect the interests of certain oil corporations, notably Standard Oil. Under such circumstances, the people of Saskatchewan were being called on "to send their sons to be slaughtered in foreign fields."

I have already referred to the speech of the hon. member for Winnipeg North Centre in which he referred to the decision of the C.C.F. national convention last August and of their national council about a week ago. If hon. members oppose this motion on grounds of their convictions, they are quite justified in doing so. I feel that many who have opposed it, some of whom I know better than others, have done so because of their convictions. But if, to help them in making up their minds, they are using some of the suggestions that have been put forward by that party in the past, then I would suggest that before they vote they should refer back to some of those decisions, made by either a part of or by the whole party, and carefully review what actually happened.

Sometimes party directives are issued and members feel obliged to follow them; but hon. members should see that those directives are based upon reality. I repeat that under no circumstances do I make personal reference to any member in the house. My brief history of the foreign policy of the C.C.F. is the history of a group of which hon. members sitting in the house form possibly only a small part.

Then there is another matter I should like to touch upon briefly, one that has not yet been mentioned in this debate, and to which in my opinion careful consideration should be given. I refer to the leadership Great Britain has given in the drawing up of these various arrangements. This is something that, as yet, has not been emphasized. I believe we all know that after the failure of EDC it was Anthony Eden—and I am sure the Secretary of State for External Affairs would confirm this—who was able to effect a rapprochement between Mr. Dulles

and Mr. Mendes-France so they were prepared to compromise in order to draw up the present Paris arrangement.

This must have been a difficult task. Most of us are not personally familiar with the intricacies of French parliamentary life, but I think we have been able to gather that proceedings in the French parliament are quite different from those here. There are many parties and great rivalry among them. In the final ratification of these arrangements in the French parliament we saw the communists voting against it, along with the de Gaullists and the M.R.P., who had nothing in common with the communists but must have so aligned themselves for purposes of political strategy.

It is a great credit to Mr. Eden and to Mr. Mendes-France that these arrangements were drawn up in such a way as to be acceptable. We know Mr. Eden has effected a number of brilliant arrangements in the last year or so. We remember the Iranian oil dispute, a great source of world tension, which through the efforts of Mr. Eden was ironed out. Then there was the touchy and explosive situation at the Suez canal, also worked out successfully by Mr. Eden.

We know that shortly there is to be a meeting of commonwealth prime ministers in London. It would be well for us to watch and see what happens.

Sir Anthony Eden has been very successful in easing tension in the world. A great deal of account should be taken of the fact that England has shown a resurgence of leadership in these matters. I understand that India, Australia, New Zealand, Pakistan, Ceylon and Canada will be represented at the commonwealth conference. After discussing the matters that are to be dealt with at that conference—we do not yet know what they will be—if Sir Anthony Eden is able to repeat what he has done in the last year or so, it may well be that this commonwealth conference will affect the whole future of international relations.

As I mentioned earlier, it is true that we cannot treat or try to make arrangements to deal with Russia unless we are strong enough to do so, because she will not pay any attention to us unless we are strong. If we are strong enough it may be that the diplomacy of the commonwealth countries will ultimately bring about a real state of coexistence in the world. I am sure that it will lessen the danger of war "to a point", to coin a phrase, "of no return", and we shall not have to worry about wars in the future.

Mr. A. M. Nicholson (Mackenzie): It is not easy for me to resist the invitation of the hon. member for Oxford (Mr. Nesbitt) to become involved with him in a political debate, but the international situation is far too grave for me to take time to pursue a discussion with the hon. member tonight.

With very few exceptions the hon. members who have taken part in this important debate have set an exceptionally high tone, and I shall try to maintain that high level. The members of the press have reported objectively the discussions which have taken place in this parliament The Toronto *Globe and Mail,* in a comment on its editorial page this morning, said:

> Dissenting C.C.F. members, even though mistaken, have performed a useful service by expounding the minority view in the debate which began last Thursday.

The first suggestion I should like to make is to recommend that this inflammable question be referred to the United Nations. Let me remind the house that before the second world war ended we spent a good deal of time in making plans to ensure that never again would the world be plunged into a war. We set out a worth-while goal in the preamble to the charter of the United Nations:

> to practice tolerance and live together in peace with one another as good neighbors, and to unite our strength to maintain international peace and security,

And so forth. We have made provision to ask the security council to investigate any dispute or situation:

> . . . to see if its continuance is likely to endanger international peace and security. Such a dispute or situation may be brought to its attention by any member or, if it accepts in advance the obligations of specific settlement contained in the charter by any non-member.
>
> The council determines the existence of any threat to the peace, breach of the peace or act of aggression. It makes recommendations or decides to take enforcement measures to maintain or restore international peace and security.

The situation in Formosa, as reported in tonight's paper, is very critical. In addition, solving the German question is so essential that this matter should be referred to the security council. If the security council is unable to deal satisfactorily with it, I suggest that Dr. Bertrand Russell, in his article in *The Nation* on December 18, 1954, makes suggestions which should receive consideration. Dr. Russell said:

> Mankind at the present time is faced by dangers to the whole species so great that the avoidance of them ought to be the common aim of all the powers. The facts are known to everybody who chooses to know them, but for reasons of propaganda they are not adequately emphasized on either side of the iron curtain. It is true that

they have been stated in western countries but not in such a manner as to influence policy. They have been stated more clearly and forcibly in America than in any other country, but they do not seem to have made any impact upon the average congressman or the average American voter.

Further on Dr. Russell says:

There is, however, another alternative. It is that both sides should recognize, and should be known to recognize sincerely, that war has become futile. Neither side alone can be vigorous in urging the futility of war since to do so gives an impression of weakness. It is here that neutrals can, if they will, save both camps from destruction.

Neutrals have two advantages over the powers in either camp. The first advantage is that they can urge the destructiveness and futility of war without incurring the odium of seeming to advocate cowardly submission. The second advantage is that they can speak to governments on both sides without being thought to be actuated merely by bias.

Neutral governments, on the contrary, can speak in identical terms to both communist and non-communist powers, and can avoid the suspicion that they are concerned to promote the success of either side.

Dr. Russell suggests that India and Sweden might be two countries that could be persuaded to act as a neutral commission to try to find out the consequences of a third war on neutrals particularly. He suggests those two countries because Sweden has its natural association with the west and India is most anxious to ease east-west tensions. Dr. Russell suggests that on such a commission there should be military, naval and air experts, first class nuclear physicists, bacteriologists, economists and men of experience in international politics. I am convinced that a body such as that could draw up a report which would make the futility of a third world war undeniable. In conclusion he says:

The truth is so plain and simple that it seems as if governments must in time become aware of it: the communist and non-communist worlds can live together or die together. There is no other possibility. When both sides realize this, it may be hoped that they will choose to live rather than die.

Therefore I submit, Mr. Speaker, our first concern should be to try to get all sides to agree that the United Nations should be given a chance to negotiate to see if something could not be done.

The second part of my speech of course must deal with Germany. We have had a good deal of discussion about sovereign rights, about the privileges and responsibilities of the people in Germany and so on. We should clarify our thinking as to how far we can go in giving people the right to embark on programs to build up armaments and participate in the destruction of the entire world. However, I want to make it very clear that I feel Germany should be recognized as a country that has made a worth-while contribution to the world. The German people must be given the chance to develop in the future. We should remember our ideals as set forth by President Roosevelt and Prime Minister Churchill when they suggested that their countries seek no aggrandizement, territorially or otherwise. They desire to see no territorial changes that do not accord with the freely expressed wishes of the peoples concerned; they respect the right of all peoples to choose the form of government under which they will live, and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them. I am anxious that people in Germany should have their rights.

There has been a good deal said about the fact that Germany is divided into East Germany and West Germany. We seem to have lost sight of the fact that Germany has been divided into four sectors. There is a part now in Poland and a part in soviet Russia. According to the ideals that were set out in the Atlantic charter we must respect the rights of all peoples to choose the countries in which they want to live, and I think the German people in these four sectors must be given a chance to live together again as a united Germany, as soon as they are able to convince the rest of the world that there is no danger of a revived militarism plunging the world into war.

In this morning's *Globe and Mail* there were two articles on the editorial page which I think deserve mention. The hon. member for Okanagan Boundary (Mr. Jones) referred to one paragraph in Dorothy Thompson's article. Another paragraph says:

The rearmament issue is tearing West Germany into vehemently opposing camps. Spearheaded by the social democrats and the trade unions, but supported by non-socialists, including outstanding members of the Protestant Evangelical church, a nation-wide campaign is under way to take the issue to the people. A 24-hour strike of Ruhr coal miners, though called for another reason, turned into an anti-rearmament demonstration. On January 29, the campaign will culminate in a huge mass meeting in the Pauls church in Frankfurt.

Speaking about Chancellor Adenauer:

The weakness of the chancellor's position is that he can offer no rational explanation of how Germany can be reunited once the step has been taken to create a German army in military alliance with NATO. Neither can the British, French or American foreign offices. In fact, Germans are coming to the alarmed conclusion that the "peace of the powers" (or coexistence) is envisaged as resting on a final four-power agreement to maintain and respect the existing status quo. They are vividly aware that the truces in Korea and Indo-China were won at the cost of dividing these two nations.

Then another paragraph:

> Can it continue? Is it conceivable that a German government and army can indefinitely commit the nation actually to defend the partition of the country? If, behind the scenes, the western foreign offices are preparing to accept permanent German division as the price for "stability and peace" would that not constitute "containment" of a rump Germany, with a German army actually collaborating to police the condition? If so, how much popular support would such an army have? And unless it commands popular confidence what good is any army?

George Bain, in his "Ottawa Letter" this morning said:

> After the first world war Germany was not allowed either,—

Referring to bombers and long range aircraft.

> —and only a very few German officers were permitted to take flying training. However, leading German aircraft firms as early as 1926 had for some time been producing planes in Russia, Switzerland and Sweden, and within the civilian firm Luft-Hansa, a training system had been set up.
>
> Germany after the first world war was not allowed tanks, submarines, heavy artillery, just as today it unconditionally guarantees not to manufacture such things as atomic, biological and chemical weapons and guided missiles.
>
> However, ways were found to get around the bans following the first world war. Krupps, for instance, had bought control of the Bofors arms factory in Sweden by 1925. Submarines were being produced by German-controlled firms in Holland and Spain, even in Turkey and Finland.

And again:

> In 1926, a three-nations commission reported that "Germany had never disarmed, had never had the intention of disarming, and for seven years had done everything in her power to deceive . . . the commission appointed to control her disarmament." Because the allied powers so desperately wanted to believe that Germany had been converted to peaceful ways, this report was buried.
>
> Today there is not only a desire to believe in Germany's peaceful intentions, but also a recognition that a rearmed Germany is necessary to the defence of western Europe.

I was interested in an article on "Versailles and London" by J. Alvarez del Vayo, the foreign editor of *The Nation* and I quote from the issue of October 23, 1954:

> The measures adopted, and to be adopted, to keep German rearmament under effective control are a constant theme in commentaries on the London conference. They cropped up in the debate which preceded the French parliament vote of confidence in Mendes-France. They are referred to repeatedly in the praise heaped upon the conference by statesmen and politicians.

And further on:

> Apparently no one doubts that the arms control agency to be set up as part of the Brussels treaty organization will be able to keep the massive armament output of the Ruhr within the limits agreed on.
>
> To anyone over 40 years old—and the principal authors of the London agreement were grown men by 1918—such optimism is incredible. The story of Germany's secret rearmament in violation of the Versailles treaty, of the complete collapse of the allied effort to halt the rebirth of German militarism, is a story not from history books, but of our own generation.

I think the situation is so critical that we should pay more attention to the suggestions which have been made by other members of this group, that the time factor is most important and Germany should have a longer time in which to demonstrate to herself and to the world that the nazi elements which were responsible for world war II are not going to be in control.

Like a number of hon. members of the house I was in Germany this summer. My wife and I had a most delightful stay. I had been there before, in 1926, and on both occasions I marvelled at the courtesies extended to people who had been their enemies such a short time before. Last summer again and again we inquired how a maniac like Hitler ever managed to get to a position in Germany where he could plunge their country and the world into war. Again and again the answer was, "But I was just a little man, there was nothing I could do." Sometimes the answer was, "If it had not been for forces outside Germany we would never have allowed him to go so far."

So I think we should give Germany a longer time to develop the democratic organizations that are being built up in that country, to demonstrate to themselves that they are capable of operating a democracy over a period of time. I should say that we did not meet any communists in Germany; there are not very many pro-communists to be found in West Germany, and I think it is fair to say that there is a very real fear of Russia. I should say something also which is not so well known, that there is a very real fear of the United States. But above all there is a very real fear of war.

Most of the people we saw did not seem to think either the United States or Russia would start a war in Germany or Europe, but they felt that some incident in Formosa or Indo-China might set a spark which would plunge the world into war; and they know from vivid experience what war will mean to them.

Before I leave Germany I might mention that in the air edition of the London *Times* of January 17 I found the details of the proposals made in a Moscow broadcast of a week ago. Unfortunately details of these proposals

were not carried by such papers as the New York *Times*, or at least I did not see them. Here is what Moscow proposed a week ago:

1. Paris agreements lead to a grave complication of the whole situation in Europe.

2. Paris agreements can bring nothing good to Germany. They will finally involve the German federal republic in the adventurous plans of preparation of a new war, which always were and always will be alien to the interests of the peoples, including the interests of the German pepole.

3. Paris agreements will consolidate for many years the splitting of Germany and will become an obstacle to the peaceful restoration of the unity of Germany.

4. The ratification of the Paris agreements is incompatible witth the restoration of Germany as a united peace-loving state.

5. In the event of the ratification of the Paris agreements, the Bundestag will assume a grave responsibility for the continuation of the division of Germany as well as for the position of inferior rights in which the population of the German federal republic will be for many years.

6. If plans for a remilitarized West Germany are abandoned free elections can be had in 1955.

7. U.S.S.R. will come to an agreement on establishing appropriate international supervision of the holding of all-German elections.

8. The holding of free all-German elections and the restoration of the unity of Germany would create the necessary preliminary conditions for the conclusion of a peace treaty with Germany which would finally consolidate the independence, sovereignty and equality of rights of a united Germany.

It continues:

If, however, the Paris agreements are ratified, the "U.S.S.R. would take care not only of a further strengthening of its friendly relations with the German democratic republic—

This is East Germany, of course.

—but also of facilitating the strengthening of peace and security in Europe by the joint efforts of the peace-loving European states."

I am not suggesting, Mr. Speaker, that these proposals are made with complete sincerity and that they would be accepted without qualification, but according to the London *Times* they have created a great deal of confusion in West Germany.

The London *Times* of January 20 carries a report from its Bonn correspondent outlining the views of the Frankfurter *Allgemeine Zeitung*, a newspaper which is usually found to be in support of the government's foreign policy. This newspaper feels that the politically undemonstrative nature of the German people conceals "a deep division disturbing the nation's subconsciousness."

The writer points out that the official western view of the statement is that it is a victory for the policy of strength, that the Russians have made concessions and will make even more if the same policy is pursued. But the danger, when the west eventually comes to negotiate with the Russians, seemed to be that the question on the agenda will not be German reunification but the conditions for peaceful coexistence without the irritant of a united Germany. The eastern zone would then stand no chance of being freed.

I would next like to deal with the H-bomb. The hon. member for Esquimalt-Saanich (Mr. Pearkes) referred to this factor the other night. I have the greatest respect for the hon. gentleman personally and also for his very distinguished war record, but I believe the conclusion he reached is unsound. The hon. member intimated that the H-bomb probably would not be used because it was so dreadful and because both sides possessed it. I am quite sure that if the hon. member was the officer in charge the H-bomb would not be used; but unfortunately he is not.

In the *U.S. News and World Report* of December 31, 1954, there appeared a very alarming article by Air Marshal Sir John Slessor, former chief of the British air staff. It is headed "H-bomb Will be Used if Big War Comes." The writer claims that the weapon of mass destruction would certainly be used in any great war between major powers and he quotes Mr. Attlee, British opposition leader, as stating:

"The fact is that once there is war, absolute war, in the modern age, and if the existence of a nation is at stake, any weapon will be used in the last resort.

The writer then goes on:

When is the last resort? It is beyond doubt that ultimately the bomb would be used—no nation would admit defeat with this terrible weapon of retaliation lying unused in its armory. Are we to wait to use it as a rat's dying bite? Are we to hold back and watch our enemy overrun Europe and set up his V-weapon sites again on the channel coast, and do nothing to stop him except with weapons of his own choosing . . .

I would like to refer hon. members to a speech by Sir Winston Churchill as reported in British *Hansard* of July 29. Hon. members may recall that Sir Winston was reminded by members of the Labour party of his famous statement that he did not become prime minister to preside over the liquidation of the British Empire. Mr. Attlee said that if the Prime Minister were in opposition he would describe developments in Egypt as "scuttle." Captain Waterhouse, one of the Conservative rebels, said it was not a sell-out but a give-away. Sir Winston rose to reply as follows:

I have not in the slightest degree concealed in public speech how much I regretted the course of events in Egypt. But I had not held my mind closed to the tremendous changes that have taken place in the whole strategic position in the world which make the thoughts, which were well founded and well knit together a year ago, utterly obsolete, and which have changed the opinions of every competent soldier that I have been able to meet.

Later he continued:

Merely to try to imagine in outline the first few weeks of a war under conditions about which we did not know when this session commenced, and about which we had not been told—merely to portray that picture and submit it to the house would, I am sure, convince hon. gentlemen of the obsolescence of the base and of the sense of proportion which is vitally needed at the present time, not only in military dispositions but in all our attempts to establish human relationships between nation and nation.

In the Manchester *Guardian* of December 21, 1954 I read the following:

"We are trying to keep an element of sanity in a nightmare world," one senior officer said.

He was speaking of allied planning for the possibility of a war with hydrogen bombs. His conclusion was that the outcome of war would probably be settled within the first 20 to 30 days, and for Britain perhaps within the first 20 or 30 hours.

In his judgment, that greatly raised the deterrent value of the American and British long-range bombing forces. . . .

There was a time when it was thought that the superiority of air power in the western countries would give us an advantage, but Joseph and Stewart Alsop, writing in the New York *Herald Tribune* of August 20, 1954 said:

The pentagon intelligence analysts have reluctantly concluded that the Soviet union is already producing a jet engine about twice as powerful as any yet produced in the United States. This is the biggest shock, the bitterest pill in a development that was generally shocking and unexpected. Until a few months ago, the official forecasters were convinced that the Soviet aircraft industry would need at least two years more to turn out planes comparable to our B47 and B52. But now such planes are already in the air.

To find the Soviet strategic air development two years ahead of schedule was unpleasant enough in itself. It was even more unpalatable to find that this remarkable Soviet jump forward depended upon, and in fact probably resulted from, the successful design of a jet engine greatly surpassing any jet engine as yet designed in the west.

Those who maintained that the west had superiority in aircraft and atom and hydrogen bombs have had trouble in proving their claims. The opinion I have been expressing about the inevitability of the hydrogen bomb being used has been confirmed by Viscount Montgomery. In his "Ottawa Letter" in *Saturday Night* of December 18, 1954, Mr. Stevenson quoted him as follows:

Speaking not long ago at the Royal United Services Institution in London. Lord Montgomery said: "I want to make it absolutely clear that we at SHAPE (the headquarters of the NATO forces) are basing all our operational planning on using atomic and thermonuclear weapons in our defence. It is no longer a question of 'they may be used'. It is very definitely 'they will be used—if we are attacked'. We could not match the strength that could be brought against us, unless we used nuclear weapons. We have reached the point of no return, as regards the use of atomic and thermonuclear weapons in a hot war."

In another copy of *The Nation* I ran across an article by Elizabeth Weideman on "The H-Bomb's First Victims". An appeal was sent to the Y.W.C.A.'s all over the world by a distinguished Christian Japanese woman, Mrs. Eumura. Her letter is written in restrained language. Along with her letter is given some information with regard to the facts of the H-bomb:

In the past three years there have been reported several cases of pitiful deaths of school children who as babies survived Hiroshima or Nagasaki seemingly unharmed. These children looked quite normal until they fell ill six or seven years after that day, their bodies giving way to the destructive operation that had been secretly working within them. So far, nothing can save those in whom the symptoms of the "atomic disease" manifest themselves, and they die after indescribable months of agony. Grown-ups are no exception to this liability . . .

Then there is a description of the sailor who lost his life as a result of the explosion of the H-bomb in Bikini. In the New York *Herald* of January 7 I saw a note "Japan accepts H-bomb offer", and there is a picture of—

—U.S.A. ambassador J. A. Allison shaking hands with Japanese foreign minister after Japan agreed to accept a $2 million payment from U.S.A. for damage claimed by Japan caused by an American H-bomb test at Bikini last March.

When one considers that this fishing boat was 80 miles away from where the explosion occurred, and that the United States has paid $2 million for the damage caused at that distance, it gives one some idea of the implications if we insist upon using H-bombs in a third world war. I think probably I should use the word "last" world war with "last" in quotation marks, as there will not be a fourth world war.

The last point I plan to develop is what I call an appeal to reason and I am quoting some well known people. In the *Leader-Post*, Regina, Saskatchewan, January 3, 1955 on the front page I read the following:

Pope Urges Coexistence on Basis of Bethlehem
Dispatch from Vatican City—

Pope Pius today published a solemn appeal for the peaceful coexistence of all nations on the basis of "the principles of Bethlehem".

The appeal was contained in a Christmas message to the world, which the pontiff was too ill to complete in time for Christmas and which he was still too weak today to broadcast himself.

In apparent criticism of the recent Paris pacts the pontiff said the accords no longer looked toward extensive European unification. In the past, he had expressed approval of the European defence community.

Then I go back to the speech of Sir Winston Churchill in the House of Commons in England on May 11, 1953, when he made some statements I think we should never forget. He said:

I do not believe that the immense problem of reconciling the security of Russia with the freedom and safety of western Europe is insoluble.

Then he quoted his telegram which he sent Stalin on April 29, 1945. If it was a worthwhile telegram to send in 1945, I submit that it is a worth-while sentiment to express today. Sir Winston said in his telegram:

There is not much comfort in looking into a future where you and the countries you dominate, plus the communist parties in many other states, are all drawn up on one side, and those who rally to the English-speaking nations and their associates or dominions are on the other. It is quite obvious that their quarrel would tear the world to pieces, and that all of us leading men on either side who had anything to do with that would be shamed before history. Even embarking on a long period of suspicions, of abuses and counterabuse, and of opposing policies would be a disaster hampering the great developments of world prosperity for the masses which are attainable only by our trinity. . .

Then he said:

I must make it plain that, in spite of all the uncertainties and confusion in which world affairs are plunged, I believe that a conference on the highest level should take place between the leading powers without long delay.

I might say that a well known correspondent in London informed me that Sir Winston, with a view to what the future will say of him, would prefer to be remembered as the man who saved the peace rather than in connection with the extremely important role he played during the second world war. But apparently he has not been encouraged to have a top-level conference. Then I should like to quote a well known American, George F. Kennan, former ambassador to the Soviet union. McCarthy has never suggested that Ambassador Kennan had any communist tendencies. He said:

As many of you already know, I have never seen any evidence that the Soviet leaders have at any time since world war II (or before, for that matter) desired a general war between the Soviet union and the major capitalist powers, or looked to such a war as a likely means of achieving their objectives.

I still have one other, a well known international figure, who spoke as follows:

If the nations of the world engage in a third world war, civilization would be destroyed, external affairs minister Pearson warned Sunday. . . Mr. Pearson said that "horrible devastation" would be brought about by the new atomic and chemical weapons devised by men.

"Should we ever get into world war III, there probably won't be more than a handful of people left", Mr. Pearson said.

He referred to the hydrogen bomb explosion in the Pacific and said he was glad that the public was "now becoming acquainted with the fantastic power of the weapon." "That one bomb in the Pacific was more devastating than all the bombs dropped on Germany and Italy during the last war."

Then he said:

"But we will never defeat communism unless we understand it. We must have faith and a positive approach. We have to confront communism with something stronger and more dynamic. . ."

"So often in the international field today, problems are not all black and white. They are often in terms of grey, and it is hard to find what is right and what is wrong."

I think the minister never uttered truer words than those, that things are not all black and white, that we cannot defeat communism unless we understand it. I suggest that if someone could devise a formula so that within the next 24 hours every communist in the world could be killed, our problems would not be solved. We really would be in trouble then, if there were no more communists left for us to attack.

In concluding, Mr. Speaker, I submit that the critical international situation has been created by men and women. It can be solved by men and women. I suggest that this house reject the motion which is before it and refer the question to the United Nations, an organization that we have helped to build, in the hope that this organization might be able to bring the dispute to a satisfactory conclusion.

Mr. T. H. Goode (Burnaby-Richmond): I shall take a very few minutes in this debate, Mr. Speaker. The hon. member who spoke before me and I entirely disagree on this matter. Because the people at home feel so strongly on the question of rearming Germany, I rise in my place for a very few moments to put their thoughts on the record.

I have given many weeks of thought to what my stand would be when the time came to vote on this question. I have argued in my mind both for rearmament and against it, hoping that out of some personal experience in this house, with years of debate in print in my office and the speeches of the Secretary of State for External Affairs to which to refer, some firm basis for an established opinion could be found.

I listened with profound respect on January 20 to the speech delivered by the minister, and I was particularly interested when he said that the democratic nations in and out of NATO seek to institute a search for effective control of thermonuclear weapons, not for warfare but for welfare. He said that agreement for effective disarmament was the goal of all those nations which comprise NATO and that for years the Canadian government had taken an active part—he could have said a leading part—in searching for such an agreement.

The minister's second point was built around the fact, acknowledged by all who welcome a permanent peace, that you can only deter aggression by strength. The improvement of relations amongst the friendly countries, the removal of the causes of war and the development of the international community, was a third area explored by the minister. Whether we forward these valiant ideas by bringing into being a rearmed Germany, though it may be under temporary control, is problematical. If we could rearm that country and guarantee to our people that this would be a permanent solution to a problem that has faced us in two wars, then we would be on sound ground in any personal action we take in voting on this motion.

Hon. members will recall that not too long ago we voted whether we should allow Kurt Meyer to return to Germany. I believe I was the only one on this side of the house who voted against his return at that time. I did it not for political advantage, not to create in the minds of the people of Canada the thought that here was a Liberal member who was against Germany, but I voted as I did because it was my opinion that concrete evidence was available that former senior nazi officials were coming to the forefront in German military matters.

If you need further evidence of that fact, press reports of Meyer's reception and consequent generous treatment in his country are proof enough. Read the headlines of the European papers and prove for yourself that the staff of any new German army will be former associates, personal or military, of the nazi regime.

It has been said many times in this debate that we can rely on Herr Adenauer to keep control of former military leaders in Germany. Perhaps he can. He is a great but elderly man, and who comes after him? Who will be there five years from now? No guarantees can be given.

I am one who believes that eventually we will fight communism in battle, communism headed by either Moscow or Peking. Indo-China, Korea, Malaya, Costa Rica and Guatemala are all a pattern in an encircling movement that will force a war to the death. It may not come in my time or yours, but the Lenin formula of world domination is not too far off schedule, and certainly is not too far off course. I hold the opinion also that the war will not be an atomic war as we understand it. Complete destruction of the world could never be read into the words of Lenin.

If that war comes, or even seriously threatens, we in Canada will play a major role. There will be no choice of who will serve and who will stay at home. Every young Canadian, male and female, will fight that war. The fathers and mothers will fight it at home, too. There will be no static position, no trenches, no decimation of European countries and peace at home. Burnaby and Oshawa, Ottawa and Halifax, Yellowknife and Richmond, will each share in an ever-moving front line. The recent warning from General Ridgway to his President proves this possibility. He said that a reduction in the size of United States ground forces in Europe, a policy already decided upon, would cause a three-months gap in reinforcements, reinforcements to face a communist army now in being of 75 satellite divisions, over 2,500 planes, thousands of pieces of artillery both atomic and basic, and a Russian fighting force that is beyond civilian realization.

In the event of war, what would be the Canadian manpower position? As I have said, every young man and woman would be subject to immediate draft. Perhaps millions would die. Certainly Canada's casualty rate in two other wars would be fractional compared to this terrible holocaust.

I have faced up to this crisis with what I hope is mature and complete understanding. Many arguments present themselves to me and today I wish I could, in all sincerity, vote against this motion. We are voting, however, not only on what is to happen now but on what might happen to our children and Canadian generations yet unborn. I vote in support because I think there is a chance, a good chance, of delaying war for a generation. It is a far better thing that we do if we rearm a country in an effort to hold that country as our friend. If we refuse to rearm Germany, in time we create a physical enemy with only one country to which to turn, Russia. There can be no geographical neutrality in a great country surrounded by acquaintances and no military friends.

I look to the day when East Germans will join with their blood brothers in the west to bring back into being a great friend of the democracies. We perform no service to this hope by refusing to West Germany its rightful place in NATO. The defeat of this motion would mean that the western European peace alliance is dead, perhaps worse than that. I believe the defeat of the European defence community by France, and an adverse vote on this motion, would surely prove to the German people that their future does not lie with the west.

Unhappily perhaps, but with the honest opinion that I aid my country in its fight for peace, if only a temporary peace, I support this motion. The knowledge that we may face some type of aggressive Germany in

the future must be outweighed by the fact we might produce a formula for world peace and understanding. This thought counterbalances any fear of the results that may come from a mistake now. If the decision of this house defends Canada against another world war in the immediate years ahead, we will have fulfilled our responsibility to those young people who attend the schools throughout Canada.

Mr. G. H. Castleden (Yorkton): The previous speaker has shown, Mr. Speaker, how seriously the members of this house have taken this problem, and how deep has been their study. I am aware of the conviction with which many of them have spoken. It is possible that many of us differ. We ask that our convictions be treated as having arisen from equally great concern about the future of Canada and of the rest of the world.

Three months ago Canada's representatives signed the protocol admitting the Federal Republic of Germany into the North Atlantic Treaty Organization. It was evident even at that time that there were many serious doubts in the minds of many people, in all NATO countries, as to the wisdom of that action. It was surprising to note that the Canadian government did not consider the opinion of the people of Canada of sufficient importance to call parliament before this time to find out what the people thought and what their representatives would say with regard to the protocol.

Be that as it may, the government accepts that responsibility. But it has this advantage, that many events have taken place since the fateful October 23, 1954, which I believe have confirmed rather than diminished these doubts and misgivings. The French assembly, when called upon to ratify this agreement, rejected it on the first vote. Later they reversed their decision, but quite evidently they were under pressure. The British parliament, the cradle of democracy, adopted it with over 55 per cent of the members abstaining. It was a silent protest, but it was a protest. It was a sign that there were grave misgivings.

I think it is proof that our democracy is in a healthy condition when members register their objections, even against an overwhelming majority, and are free to express their convictions. I believe it would be wrong for this parliament to pass this ratification unanimously when it is so evident that many sincere, thoughtful and patriotic Canadians are opposed to it. And I do not include the communists in our land, who are the agents of Russia and who would use the privileges of democracy in this land to destroy freedom here. For them I have only the deepest contempt. I will not allow them to influence my thinking.

I want to pay tribute to the leader of this group, and to other men in high ranking positions in this group, who informed the house of their honest convictions, honestly arrived at, in support of the resolution. At no time was any effort made to influence other members, nor did the other members try to influence their leader to change his mind. The vote of our group is the vote of each member, speaking from his own convictions. I am proud of our leadership, and more convinced than ever that such leadership contains within it the essence of democracy, the essence of freedom.

There is every evidence that speakers in all parts of the house have very serious doubts, and that those doubts are shared by many other people.

I intend to vote against the motion because I believe it is wrong, and that it is premature. I believe it has within it an inherent danger to the western world. I intend to vote against it because I believe it is being forced upon a reluctant people. Evidence from all parts of the country shows that the rank and file of the German people are not in favour of restoring armaments to Germany, if it is to come under nazi leadership.

If this protocol is to be successful it requires confidence. I doubt whether it will give any real strength to the western powers until it has that confidence. I believe it is possible that the implementation of this protocol may bring war closer to us, not put it farther away, because it does not contain the safeguards which I believe are necessary.

If nuclear arms of war come to this earth because man refuses to live in brotherhood, then it will be divine retribution; man can destroy himself by his own stupidity.

I want here to reaffirm my faith in the rank and file of the German people. They are capable; throughout the world they have shown themselves to be capable of great achievements, of making great contributions to the betterment of mankind. But I have only the greatest misgivings concerning them when they are dominated by a military dictatorship. We of the western world find it difficult to understand how an army could possibly superimpose its will upon the state.

But those of us who have studied German militarism and nazism know that this does happen. Those who are in power look down upon the democratic processes. They consider themselves supreme.

The rank and file of the German people fear and detest nazism. They oppose the rearmament offered them today. This is where I think the great danger comes in. I do not know whether it is part of the calculated risk about which we hear so much. Has a calculation been made of the possibility that, once that German machine is again in power with 12 divisions, once these people are rearmed under nazi leadership, it may not be possible to trust them? All Germany wants a reunited Germany. All Germany would like East Germany to be united with the west. Might not the offer be made to a nazi West Germany that Germany could be united if they would only break with the west? And if that is a possibility we should certainly study it with great care. In such event, not only would we be opposed by Russia in time of war, but also by a Russia joined with a powerful nazi machine which we ourselves had helped to recreate.

History reveals that the character of people living in certain environments produces predictable results and trends. Nazi Germany is an entirely different nation from a free and democratic Germany. The German people, brought up under a democracy, and brought into an economic alliance with the western world, which has learned the meaning of true democracy, could be a great ally. But we do not know what a nazi Germany would do. No one knows what they would do. Give Germany democracy, real co-operation and time to build a true Germany, time to cleanse itself of nazism, and we will have hope. Some day in the not too distant future this could be achieved. At that time a rearming of Germany could be tried with some hope of success.

Had article 2 of NATO been properly implemented we might have had such a Germany today. The people of that country would have had a chance to throw out nazism. The teachings of Hitler remain too deeply rooted for us to hope that this change could be brought about in such a short time. If there were evidence to show that nazism had gone, then there might be some justification for taking a calculated risk. But instead of evidence that nazism is gone, what do we find? We find Kurt Meyer welcomed home. We find Adolf Galland, chief inspector of the luftwaffe fighting command, returning to Germany from Argentina. We have Frau Schlitter making a statement in London showing the tragic reality that the nazi thinking is not dead. Hitler's militarism can never be accepted in faith by the western world. That record can never be forgotten. That black page in the history of man is written.

We have not done our part to help build the real Germany, the democratic Germany. Canada must take her blame along with the rest. We must reap today the harvest of that failure. There is to be a new 500,000-man army under Adenauer, with its generals pledged to NATO. That is a *fait accompli.* The pact has been signed. The evidence that the majority here are with it is complete. We can only hope that there may be some force live enough and great enough to hold it within control.

The trouble is with that army of half a million men there may be a few staff members under Adenauer who are denazified and who believe in NATO, but who is going to officer that army, who are the staffs going to be, from the lieutenant colonels and colonels down to the majors, the non-commissioned officers and the ranks? Who is to be enlisted from the ranks of the German people? Therein lies the greatest danger in our control over Germany today. Reports confirm one or two things. One, that there is a great hope amongst all the German people that ultimate unification will take place and they will be united with their brothers in East Germany.

The other great thing is the great mistrust of the rank and file of the German people of nazi regimentation. I refuse to support a nazi German army forced upon a reluctant German people who know the real nazis. Give them time. Give the world time to appreciate the consequences of refusing to live together, to realize that war has never settled anything, that mass destruction can be the punishment for refusing to live in human brotherhood.

Mr. Harrison: In view of the lateness of the hour would you call it ten o'clock, Mr. Speaker?

Mr. Harris: Before we do that, would it be possible to continue a little longer tonight? I am informed that there are a number who would like to take part in the debate, and we had quite sincerely hoped that we could conclude by tomorrow afternoon. While I would not want to inconvenience the hon. member for Meadow Lake, if it is possible for the hon. member to agree we might complete at least one more speech.

Mr. Deputy Speaker: Is that agreeable to the house?

Some hon. Members: Ten o'clock.

Mr. J. H. Harrison (Meadow Lake): Mr. Speaker, my remarks will be fairly brief. In any case I think we can accommodate the minister and the house. My reason for speaking in the debate is the rather remarkable campaign that has been put on by our communist friends and such agencies as the peace congress prior to this debate in the hope, I suppose, of getting us to vote no on the admission of Germany to the western alliance.

I have been rather surprised—well, perhaps I should not be—at some of the, shall we say, support that has been gained in the ranks of the C.C.F. At the outset I should like to compliment the leader of that group on his courage, in face of the uprising he has had in his ranks.

Mr. Gillis: Plain common sense, that is all.

Mr. Harrison: You cannot condemn a whole organization if a part of it goes astray. You do not shoot a man just because he has gangrene in his leg, but there is occasion to cut the leg off if the whole body is to be saved. I think, though, this is a very good thing for Canada. Certainly, because of the speeches we have heard from that group and by the vote that will be taken we shall be able to separate the sheep from the goats, and possibly with the goats we shall have to put those who fail to vote; because I heard one remarkable speech from that side indicating that everybody should vote against the rearming of Germany. After a 30-minute speech the hon. member sat down, but before he did so he said he was not going to vote along the lines he suggested, and in fact he was not going to vote at all. The only thing that told me was that he did not have the courage of his convictions. It was a proposition of do as I say, but not as I do.

From time to time many words have come out from Moscow. We have had those echoed by the C.C.F. members of the legislature in Saskatchewan, who have always supported the ideas that have come from that country but without taking the alternative in any case. These things make one wonder.

In this debate these gentlemen who have indicated that they are not going to support their leader have taken one side of the story only. I have not heard any part of the other side. They have not discussed the alternative.

I have no objection to a man looking at both sides. He comes to his honest opinion; he decides which is which, and that is all right. But these gentlemen have discussed the terrible things that might happen if we allow those 12 divisions to be established in Germany. Well, they might have mentioned the other 250 divisions that are in existence in Russia and her satellites. In East Germany we have 180,000 so-called police, equipped with some 600 tanks, 250 mobile guns and 1,700 pieces of artillery. Well, that is some police force.

As the minister told us, there was no rearming whatsoever in Western Germany in 1948. There was not even a soldier there. But that was when the rearming of East Germany took place. In view of our experience with Germany, you might think there is cause for serious thought. The minister has told us of the safeguards we have there. But with the 250 divisions and this East German police force and another 400,000 Soviet troops in that country, what are the safeguards in that case? Do we hear anything about those? Not at all.

Then, Mr. Speaker, we have had calls on members of this house. I have had telephone calls from some of these people, and I told them they had access to my office, that I was quite willing to see them and hear what they had to say. One delegation was supposed to meet me in the morning, but they failed to arrive. They telephoned me in the afternoon and said they were sorry, that there was some misunderstanding and they could not see me. But I did have a one-man delegation call on me. He was a gentleman from my own riding. This gentleman had been the communist candidate in the last election. He is quite forthright about what he wants; he always has been. I have no disagreement with that. What he wants here is a Soviet government. He is quite willing for Russia to come here and take over.

We have no communist members as such in this house, but when one reads the speeches that we have heard from some hon. members of the group across the way who are showing signs of dissent with their leader, it indicates that there has at least been some acquiescence in what has been proposed by the Soviet union, and that the voice of Moscow has not been unheard in this house.

Mr. Winch: How low can you sink?

Mr. Harrison: You made your speech. If I may comment on some of the speeches I have heard, the hon. member for Kootenay West (Mr. Herridge) said that he had received letters from people of all opinions. I have had letters from all kinds of people, but they are all of one opinion. I think they all came indirectly from the same place, the Canadian peace congress. They all took the same line we have heard from these hon. gentlemen. No alternatives are discussed. In view of this I certainly compliment the other hon. members of that party and its leader in particular —I have great respect for him—for their stand in the face of that kind of opposition.

I think on the whole this debate has been most valuable for the people of Canada. As I have said, it is written that by their fruits ye shall know them. In this case it will be—

Mr. Campbell: A little longer and you will turn the whole house against it.

Mr. Harrison: If I have the hon. member with me then I am on the wrong track. By their fruits ye shall know them; but I think in this case we should say, "by their speeches and by their votes or lack of votes."

On motion of Mr. Fleming the debate was adjourned.

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

HOUSE OF COMMONS

Tuesday, January 25, 1955

The house met at 2.30 p.m.

PRIVILEGE

MR. KNOWLES—INCOME TAX APPEAL NO. 227

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on yesterday's order paper standing in my name there was a question, the pertinent part of which read as follows:

Has the appellant in income tax appeal board case No. 227—

I shall skip the unnecessary wording—

—at any time had any contracts with the federal government, or any department or agency thereof?

My question of privilege relates to the fact that, as I see it, the answer is hardly adequate. The answer as found on page 451 of yesterday's *Hansard* says, in part:

...the minister who was a party to the proceedings had a check made as to whether at any time since the appellant company purchased the property referred to in the judgment, the federal government had awarded any contract of any kind to the appellant company or to its subsidiary referred to in the judgment.

As Your Honour will notice, I asked whether there had been any contracts awarded to this company at any time. The answer given is that there have not been any since the time the property referred to in the judgment was purchased. Obviously this leaves an inference which can be drawn one way or another as to what happened prior to the time that property was purchased.

Then further, on my question of privilege, I would like to point out that the judgment referred to indicated that this property, up to that time, had not been purchased at all. It had only been leased with the option of purchase. That makes the phrase "since the time the property was purchased" meaningless.

In the light of these facts I would hope that the Minister of National Revenue (Mr. McCann) might consider bringing down a more complete answer to my question.

INCOME TAX

REPLY BY PREMIER OF QUEBEC TO LETTER OF PRIME MINISTER

Mr. W. G. Weir (Parliamentary Assistant to the Prime Minister): Mr. Speaker, for the Prime Minister (Mr. St. Laurent) I lay on the table two copies in English and in French of a letter dated January 19, 1955, from the premier of Quebec to the Prime Minister concerning federal-provincial fiscal relations.

CANADIAN NATIONAL RAILWAYS

WITHDRAWAL OF HOTEL PROPERTIES FROM RAILWAY COMPANY

Mr. L. Langlois (Parliamentary Assistant to the Minister of Transport): Mr. Speaker, on behalf of the Minister of Transport (Mr. Marler) I beg to table, under the provisions of section 18 (2) of the Canadian National Railways Act, chapter 40, of the Revised Statutes of Canada, 1952, a copy of order in council P.C. 1955-54, dated January 13, 1955, withdrawing from entrustment to the Canadian National Railways the Pictou lodge and Minaki lodge properties.

HOUSE OF COMMONS

LONDON, ONTARIO, CENTENNIAL—PRESENTATION TO MINISTER OF FINANCE

On the orders of the day:

Mr. H. O. White (Middlesex East): Mr. Speaker, I would like to ask a question of the Minister of Finance. Would he accept from me a dollar's worth of wooden nickels celebrating the city of London's centennial this year.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I shall be glad to do so. But I should point out that, from my knowledge of western Ontario, London is worth more than wooden nickels.

Mr. Fulton: How much is a dollar worth?

Mr. Harris: More than was said the other day.

Inquiries of the Ministry

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Hon. W. Earl Rowe (Acting Leader of the Opposition): Mr. Speaker, perhaps this question is somewhat early, but I would like to ask the Minister of Finance if he can give the house any intimation as to when we may expect the budget.

Hon. W. E. Harris (Minister of Finance): Some time during this session.

EXTERNAL AFFAIRS

FORMOSA—STATEMENT ON PRESENT SITUATION

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I should like to ask a question of the Secretary of State for External Affairs. I understand him to say that he would make a statement on the situation today with respect to Formosa. In view of the anxiety that is felt by many people in this country regarding the statements of policy made yesterday by the President of the United States, can the minister tell us whether the United States has been informed that Canada's policy remains as it was, and that we are not entangled in any of these Formosan adventures?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, in reply to what my hon. friend has said, and also in reply to the question asked yesterday by the hon. member for Prince Albert (Mr. Diefenbaker), I shall make a statement on this matter now, as follows:

The President of the United States yesterday sent to congress an important message dealing with the situation in the Formosa straits. The President's proposals in this message are, of course, a matter of United States policy. The United States has particular commitments of its own in this area. These, and the effect of the President's message on them, will now be under consideration by congress and it would not, of course, be appropriate for me, or for any member of this government, to comment on this aspect of the matter.

Although we are not involved in United States commitments in this area, we are of course deeply concerned over the dangerous situation existing there and we, with other free governments, are anxious that steps should be taken to bring to an end the fighting which has now been taking place for some time along the China coast.

[Mr. Harris.]

In this message the President of the United States referred to the possibility of action by the United Nations to bring about a cease-fire. The United Nations has, in Indonesia, Palestine and in other parts of the world, been successful in bringing to an end fighting which might have had dangerous consequences, and if it could achieve similar results in this case it would be a cause, I am sure, of great satisfaction to us all.

If the question is raised in the United Nations—and there are reports that it will soon be raised—this would presumably take place in the security council of which Canada is not at present a member. However, we are being kept informed of developments in regard to the possibility of such a reference, and we are watching the matter with great interest and some concern. Incidentally, an essential party to any cease-fire of this kind would be the communist government of China, which, though a non-member of the United Nations, would have to be invited, I assume, to participate in the security council deliberations if they were to have any chance of success. Whether this particular government would accept such an invitation is another matter.

While it is not proper for me to comment on United States policy in this matter which is now being considered by congress, I think I can say that any move or proposal within the United Nations or through diplomatic channels which could serve to achieve the purpose as stated in the President's message "to improve the prospects of peace in the area" will be warmly welcomed by the parliament and by the people of this country.

Before the Korean armistice I expressed on more than one occasion in this house the view of the Canadian government that Formosa should be neutralized as far as possible while hostilities continued in Korea. We thought then, and we think now, that the final disposition of Formosa should be a subject to be discussed at a conference on Far Eastern problems which at that time we thought might be held after the cessation of fighting in Korea. That was the view adopted by the political committee of the United Nations general assembly on January 13, 1951. Despite developments since then, it remains the view of the government that the final disposition of Formosa should be dealt with by international negotiation, at a conference, if you like, on Far Eastern problems, if one could be held. Certainly, in any decision regarding the future of Formosa the wishes of the people there, which are often forgotten in discussions of this matter, should be a primary consideration. Pending such a decision I think that a strong case can be

made for the neutralization of Formosa both in order to prevent any assault upon it by communist forces and also so that it will not be used as a base for invasion of the mainland.

Mr. Coldwell: The President did not say that.

Mr. Pearson: In this area of tension and danger a distinction can validly be made between the position of Formosa and the Pescadores and the islands off the China coast now in nationalist hands. The latter are indisputably part of the territory of China; the former, Formosa and the Pescadores, which were Japanese colonies for fifty years prior to 1945 and had had a checkered history before that, are not. I suggest therefore that the considerations which recommend the neutralization of Formosa and the Pescadores do not necessarily apply to the coastal islands so close to the mainland and a hundred miles or so away from Formosa. Therefore, Mr. Speaker, I welcome that part of the President's message which looks to the redeployment of the nationalist forces which are now in these islands. "Some of these forces", the President's message states, "are scattered throughout smaller off-shore islands as a result of historical rather than military reasons directly related to defending Formosa."

My understanding of the basis of a truce or cease-fire is that neither the nationalists, the government of China which we recognize, nor the communists need be asked to give up their claims on the territory now held by the other side. What they would be asked to give up of course is the use of military means to achieve their aspirations. In other words, negotiations for a cease-fire need not involve any question of the final disposition of the territory in dispute; for in our view this is a suitable matter for international negotiation at a later date through the United Nations or otherwise.

I am sure this house will particularly welcome the closing paragraph of the President's message which is as follows:

> Our purpose is peace. That cause will be served if we demonstrate our unity and our determination. In all that we do we shall remain faithful to our obligations as a member of the United Nations to be ready to settle our international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered.

Mr. Diefenbaker: May I ask a supplementary question? Would the neutralization of Formosa in the manner indicated by the minister lead to the immediate seating of the people's government, the communist government of China, in the United Nations? Would that not be the necessary consequence?

Mr. Pearson: No; as I understand it, that would not be the necessary consequence to the neutralization of the islands.

Mr. MacInnis: May I ask a supplementary question? My question is in reference to the Secretary of State for External Affairs in regard to the invitation of communist China to any cease-fire conference that would be held. Would not the acceptance of an invitation to such a conference by communist China be facilitated if we recognized China as the *de facto* government of that part of China of which it is the *de facto* government? Would it not be a good thing if a start was made in that direction by this government?

Mr. Pearson: That is another question on which I would not like to express an opinion at this time.

Mr. Green: May I ask the Secretary of State for External Affairs a further question? Does the Canadian government take the stand, or does it not, that Formosa is in the first line of defence for Canada's west coast?

Mr. Pearson: That also is another question dealing with far-reaching matters of strategy on which I would hesitate to express an opinion at this moment.

ATOMIC ENERGY

REQUEST FOR LOCATION OF POWER PLANT IN BRUCE COUNTY

On the orders of the day:

Mr. A. E. Robinson (Bruce): I wish to direct a question to the Minister of Defence Production of which I have not given notice but he may be able to answer it now. My question arises out of a statement made recently by Mr. W. J. Bennett, president of Atomic Energy of Canada Limited, at Toronto's annual board of trade dinner.

Will the government give consideration to locating the proposed atomic power plant in Bruce county, considering decentralization and Bruce's distance from hydro sources?

Right Hon. C. D. Howe (Minister of Defence Production): As I understand it, no decision has been made regarding the power plant that is now being contemplated. I can assure him that the merits of Bruce county will be very carefully assessed before the location is chosen.

Inquiries of the Ministry

IRRIGATION

SOUTH SASKATCHEWAN RIVER PROJECT—REQUEST FOR DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I should like to direct a question to the Prime Minister. Has the Prime Minister received a communication from the premier of Saskatchewan suggesting a meeting of committees of both the federal and provincial cabinets to discuss the South Saskatchewan dam? If so, will the Prime Minister indicate whether or not the government will agree to appoint a committee of the cabinet to meet the provincial committee?

Right Hon. L. S. St. Laurent (Prime Minister): The answer to the first question is in the affirmative. The answer to the second question is that no arrangements for such a meeting have yet been made.

Mr. Coldwell: They might be made. It is under consideration. Did I get the last part correctly? I did not quite hear the last part.

Mr. St. Laurent: No arrangements have been made for such a conference at this time.

Mr. Coldwell: I was asking if they would be made.

Mr. St. Laurent: The request has been received but no definite answer has been made to it.

FERTILIZERS

SUGGESTED INQUIRY INTO POSSIBLE COMBINE

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the Minister of Justice. Has the minister's attention been drawn to the concern expressed by farm organizations in respect to the high price of fertilizers, and in view of this has any consideration been given by the government to having the fertilizer industry examined under the Combines Investigation Act?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, the answer to the first question is yes. The answer to the hon. member's second question is that the combines branch, as a result of informal complaints, made some inquiries in eastern Canada which failed to disclose any collusion among the mixers of fertilizers. The combines branch also made some informal inquiries into the possible restriction of supply and enhancement of price in the case of ammonium nitrate and ammonium sulphate, but the information obtained did not indicate any situation forbidden by the Combines Investigation Act.

[Mr. Howe (Port Arthur).]

CANADIAN NATIONAL RAILWAYS

ST. FELICIEN-CHIBOUGAMAU BRANCH LINE

On the orders of the day:

Mr. Leon Balcer (Three Rivers): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has the government changed its policy regarding the construction of the eastern section of the Chibougamau railway and is it the intention of the minister to bring forward some legislation to that effect at this session?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, in reply to the question asked by the hon. member for Three Rivers, I wish to say that the government has not changed its policy regarding the construction of the St. Felicien-Chibougamau section of the Canadian National Railways. As the construction of the above mentioned section of the railroad was authorized at the last session of parliament it is not my intention to bring forward legislation in this connection.

REPORTED REMOVAL OF FOUNDRY FROM TRANSCONA SHOPS TO MONTREAL

On the orders of the day:

Hon. George C. Marler (Minister of Transport): Mr. Speaker, yesterday the hon. member for Winnipeg North Centre (Mr. Knowles) asked the following question:

Is the minister aware of the steps being taken by the Canadian National Railways to move the foundry from the Transcona shops, at Winnipeg, to Montreal? In view of what this means to the employees affected, and in view of the central location of the Transcona shops, in Canada, will the minister ask the Canadian National to reconsider this move?

I have spoken to the management of the Canadian National Railways and they inform me that their dieselization program has now progressed to the point where there is insufficient casting work to justify the operation of two foundries.

At Point St. Charles the Canadian National has a modern foundry, the only one properly equipped for major casting work such as steam locomotive cylinders. The decision reached therefore, in the interests of economic operation, is that casting work should be consolidated at Point St. Charles and operations at the Transcona foundry discontinued.

I might add that there are 22 men now employed at the Transcona foundry. The transfer of work to Point St. Charles foundry will necessitate an adjustment in staff and 12 of these men will, in accordance with the provisions of the governing wage agreement, be given the opportunity of transferring to Point St. Charles.

POST OFFICE DEPARTMENT

ALLEGED DISAPPEARANCE OF MONEY AT BRITANNIA BEACH, B.C.

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, I should like to ask the Postmaster General if he is aware of the disappearance of some $44,000 from the post office at Britannia Beach, British Columbia, in December and, if so, has the minister been able to place the responsibility for the loss?

Hon. Alcide Cote (Postmaster General): Mr. Speaker, I shall be glad to investigate the matter referred to by my hon. friend.

NORTH ATLANTIC TREATY

APPROVAL OF PROTOCOL ON ACCESSION OF FEDERAL REPUBLIC OF GERMANY

The house resumed, from Monday, January 24, consideration of the motion of Mr. Pearson:

That it is expedient that the houses of parliament do approve the protocol to the North Atlantic treaty on the accession of the Federal Republic of Germany, signed by Canada at Paris on October 23, 1954, and that this house do approve the same.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, by inexorable logic this house is moving to a momentous decision after what may go down in the records of the Canadian parliament as an historic debate maintained on a level worthy of the occasion.

There have been some truly remarkable contributions to this debate. One thinks of the illuminating and authoritative pronouncement made on the subject of German rearmament by the hon. member for Esquimalt-Saanich (Mr. Pearkes). One admires the courageous stand taken in this house by the hon. member for Cartier (Mr. Crestohl) and the hon. member for Spadina (Mr. Croll). One can admire courage wherever one finds it. One can commend as well statesmanlike utterances such as those the house has heard from the Secretary of State for External Affairs (Mr. Pearson), the hon. member for Prince Albert (Mr. Diefenbaker), and others.

It was necessary that speeches of this quality should be made in this house on this occasion. The pity is that the country had not heard at an earlier date as authoritative and illuminating pronouncements from the government as those made in this debate by at least two government ministers. More than in any other aspect of public affairs it is in the field of our external affairs that the people need a lead from the government and from parliament, because so many of the decisions are arrived at in secret negotiations. We have seen in the vacuum of silence left by the government over the past several months the inevitable result: where ignorance and misunderstanding abound there is fertile soil for communist propaganda.

I say, therefore, that it is regrettable that the Secretary of State for External Affairs did not make this same speech or similar speeches on a dozen earlier occasions in different parts of Canada. I wish the Prime Minister had delivered such speeches. Indeed I wish the government, when they decided not to call parliament at an earlier date, had undertaken to campaign across Canada for the purpose of bringing these necessary facts before the Canadian people. Therefore, while this debate in the house has now reached its fourth day, it has nevertheless furthered a vitally important purpose in bringing to the attention of the Canadian people important and inescapable considerations which bear upon the decision that is now to be taken in their name.

Events have been moving swiftly in the past twelve months. Who among us ten years ago could have foreseen that the House of Commons today would be on the point of taking a decision, not only on German rearmament but in relation to the association of Germany with the western world, ourselves included, in an alliance? This is one of the strange contradictions of history. It would have been different indeed had the Russians proved themselves trustworthy since the war. They are responsible by their aggression and by their duplicity for the fact that we are now taking the course that has been presented to us, a course which they condemn and seek by every means at their disposal to thwart.

We need look back no farther than last spring to the negotiations at Geneva when the western nations, and France in particular, were required to negotiate from weakness. And while at Geneva the best was done that could have been done in salvaging a virtually impossible situation, I hope that we in this house have decided we do not wish to face any more situations where we must attempt to grasp peace out of virtual defeat and weakness.

Few could have foreseen after EDC had been defeated in the French national assembly last summer that there would have been raised up in its place a new form of agreement which is now on the point of being carried to a decision.

During these post-war years, ever since the Russians embarked upon their program of conquest and aggression, the greatest danger to the free world has lain in Europe. I for one will not forget my visit to the Canadian

infantry brigade at Hanover in the fall of 1952, and I recall that Canadian troops and the nearest Russian troops were just 45 minutes' travel by road apart.

If this greatest danger has receded in the past year or two, that recession is due to our growing strength in that part of the world, but the danger remains and unless we of the free world greatly strengthen ourselves in the west we will continue also to be weak in the east in the face of the continued probing by the communists for and exploitation of our weak spots in that part of the world. None know this better than the Russians themselves, as is evidenced by their frantic efforts to prevent, thwart, defeat, or delay, by every kind of pressure at their disposal, the decision we are now about to take.

It is regrettable, sir, and I am sure surprising, that in this house there should have been put forward by a particular group of hon. members of this house that formidable array of decoys which the communists and those who have been listening to them have been offering to the Canadian public. These have been reviewed and I do not intend to dwell upon them. But let me just mention them in passing.

First, there is negotiation, the idea of "another conference", another conference wherein the Russians, of course, hope again to divide the west. But the decision we are taking does not preclude further negotiations, if the Russians want them. But when these negotiations are held they should on the part of the west be negotiations from strength and not from weakness. That surely is the lesson of Geneva of last spring.

The next is the decoy of coexistence. But the purpose of this measure is defensive. There is nothing in it to prevent peaceful coexistence.

Third, there is the decoy of Russian reasonableness. But if the Russians truly mean to be reasonable, and really mean to turn over a new leaf by co-operating, there is nothing in the decision we are about to take that prevents them from being reasonable and more reasonable than ever before.

The fourth decoy, and it is as dangerous as any, was uttered with some feeling in this house two days ago by the hon. member for Winnipeg North Centre (Mr. Knowles). It was the plea that we should not take the decision at this time. But, Mr. Speaker, time is running against the west. It has been running against the west for a considerable period, and time is the one thing that we cannot afford to give at this stage in any further measure to the Russians.

Then there is the fifth decoy, that we must not provoke the Russians because they may increase their arms. Well, sir, that is just the old form of naked appeasement rearing its ugly head again. If that argument had been followed there would today be no NATO in the world, and we should not forget that the Russians have done their very utmost at all stages to defeat NATO.

The sixth decoy is that this measure is going to prevent German unification on some sound basis. But there is nothing here that will prevent German unification on any sound basis. There is, however, much here that would prevent unification of Germany on the tyrannical terms that Russia would impose.

I may sum up my view, and I believe the view of most Canadians in relation to these decoys, in saying that we do not trust communists. Have we forgotten Korea? Have we forgotten Czechoslovakia? Are we forgetting what is happening in Indo-China today in those areas that have fallen within the sweep of communist rule? No! There is one man who knew the Russians much better evidently than some C.C.F. members in this house know them, and that is Karl Marx, who said, in an historic utterance: "The Russian bear is certainly capable of anything—as long as he knows the other animals he has to deal with are capable of nothing."

Then on the other side of the debate there are those facts which have been overlooked by those members of the C.C.F. who oppose the resolution. The first of these is the existence in fact of a divided Germany. Second is the fact that Eastern Germany is armed. I have seen the military police, the barrack police, on the other side of the iron curtain. The existence of an armed Eastern Germany under Russian control is a fact, and Russia means to stay in East Germany until she has fastened her system, as she hopes, for all time upon the necks of the people of East Germany.

Third, rearmament is not the equivalent of war. Members of the C.C.F. in this house have treated rearmament as though it were the equivalent of war. That has been one of the hopeless contradictions obsessing those who have raised their voices in opposition to the resolution.

As we see it, rearmament in the view taken by this Canadian parliament in these momentous recent years has been a guarantee against the outbreak of war. We deplore that it should be necessary to lay upon the Canadian people the burden of sustaining rearmament. But, sir, when we talk about welfare let us remember that the first duty we owe to the Canadian people in ministering to and preserving their welfare is to make sure that Canada as part of the western world does not become a victim of aggression.

The fourth factor is that the guarantees have been overlooked, and if there are those

who are disposed to regard those guarantees as insufficiently strong, let us remember that they are just as strong as are guarantees in the United Nations or guarantees in NATO, because in every instance those guarantees rest upon the pledges of a nation through its accredited representatives and no more.

Fifth, the fact has been overlooked that this is a purely defensive arrangement. A great injustice has been done by the evidently innocent misrepresentation of this fact in this house by C.C.F. members.

Sixth, and a vitally important consideration is this, that it is strength in this world in which we live which deters Russian aggression today. It is the possession by the United States in recent years of the atomic bomb which has bought safety for the west. Those of us who were in Berlin in the fall of 1948 and flew in on the airlift can recall the events of those days when the Russians were attempting to drive the western powers out of Berlin. We should not forget, sir, that it was courage, firmness, and force on the part of Britain and the United States in that situation that marked the turning point in the course of events in these post-war years. At that point had Britain, France and the United States shown weakness in the face of Russian strength and determination the whole course of subsequent events would have been changed. But Britain and the United States stood firm and made it quite clear that they would resist the land blockade. They set up that marvel of organization, the airlift; and from that time, as a result of that stand, the smaller nations in western Europe realized that they could safely commit their lot to the western nations and could join hands with them. It was out of that firm stand that NATO was born and became possible. Let us not forget that the only god the Russians know or respect is the god who is on the side of the big battalions, to use Napoleon's expression. We do not put ourselves in that category, but we know that these Russians respect strength and that it is strength we need if we wish to live in peace beside them.

The next fact overlooked is that the risks with regard to German rearmament have been exaggerated. At least we have these facts, Mr. Speaker, which are entitled to be given due weight. Atomic weapons will come into the hands of the Germans only by decision of the western powers, and their arms will be subject to inspection. Last night in this house from C.C.F. members we heard speeches that proceeded on the belief that Germany is still nazi and that the rearmament of Germany is equivalent to the resurrection of nazism and the nazi war machine. We are not going to forget the nazi atrocities. We are going to remember the way in which those nazi atrocities bathed Europe and far parts of the world in blood. But is there anyone here who seriously thinks that the nazis control the government of West Germany today? It is a fact that there is no stauncher democrat in all the world today than is Chancellor Adenauer. But on the other hand, in Eastern Germany there are nazis in high office.

Several nights ago we heard an authoritative pronouncement from the hon. member for Esquimalt-Saanich (Mr. Pearkes) on the point of German rearmament. When it is said by C.C.F. members that the steps now being taken mean the resurrection of the nazi war machine, let us not overlook also some news items that have come to knowledge within recent days.

Here is a Reuters dispatch from Berlin of January 19:

> The Russians have released former Field Marshal Ferdinand Schoerner, Hitler's war minister in the last days of world war II . . .

What has he been released for? Why is it that, as the news dispatch indicates, he has undertaken to send a letter of thanks to the Russians for his release? How does it happen that he is released at this particular time? And how does it happen that Vice-Admiral Voss was released by the Russians a few days ago? By the communists in Canada we have heard it charged that the purpose of releasing Kurt Meyer was so that he might lead some German army in the west. Yet we have a news dispatch of January 23 from Bonn which says as follows:

> The wife of former German tank commander Maj. Gen. Kurt Meyer said her husband has no intention of accepting a communist offer to help build up East German armed forces.

Is there any greater duplicity we have seen in all of Russian chicanery, in all of communist propaganda, than to pretend that it was the intention of the western powers to make common cause with former nazi generals in order to build up a German army while at the same time the Russians were those who were fighting against the resurrection of the nazi war machine? This kind of authoritative information from Berlin and Bonn is surely the complete exposure of that type of Russian chicanery.

Let it be recognized that the lesson of destruction and devastation has not been lost entirely upon the Germans; that there will be on German soil the continued presence of British, French, United States and Canadian forces; that the German forces will be under the command of a NATO commander in chief; and that the Germans will simply not be strong enough, under the limitations that

exist, to embark upon a war of aggression for unification of Germany. Yes, the western powers must and will remain there.

Mr. Speaker, I now put to the house the proposition that it is the duty of every member—particularly of those who have voiced opposition to it—to oppose this measure only on the assumption that if it lay within their power they would defeat it. It would be a betrayal of the responsibility that each member of this house owes to the house and to the Canadian people if he cast his vote against this measure while at the same time secretly hoping that the measure would be adopted or, knowing that the measure is going to be adopted, indulged in some irresponsible objections to it.

Mr. Speaker, the defeat of this measure—and it is this that the hon. members of the C.C.F. must be prepared to accept if they are taking a responsible course in this debate—would have results which would indeed be too dreadful to contemplate. It is true that the major risks lie in this direction. The first result would be international chaos.

The second would be such an outburst of Russian glee as would be suitable and appropriate only to a great communist triumph in the world. We would then indeed have played into the hands of the Russians and of the communist cause.

The third result would be that inevitable agonizing reappraisal on the part of the administration and congress at Washington of United States policy and the course that the United States is to follow in relation to Europe.

In the fourth place, for Germans it would mean an effective rebuff by the west to Adenauer and to German democracy. It would mean that we would be violating the promise that has been given to a democratic Germany, namely that we of the west are prepared to work with a democratic Germany. Chancellor Adenauer deserves the support of the west for he has taken the greatest of risks.

The fifth result would be in relation to France. It would inevitably mean the crash of the French government and such a period of instability in French government as we have not yet seen. The whole course of French history would indeed be in a precarious plight. The strength of the communists would be bound to upsurge in France.

In the sixth place, to what fate would Germany be consigned? The Russians want all of Germany, west as well as east, with them. Their blandishments and all their efforts have been directed towards that end these many years.

In the seventh place—and let us put this issue squarely before members of this house who have indicated their opposition to this resolution—we would have dealt a body blow, it may well be a fatal blow, to NATO itself. NATO is needed in the world today as much as it ever was needed. We know that the United Nations are not enough. They are not enough to guarantee peace. We recognized that when NATO was established with the aid of Canadian inspiration. NATO's existence is needed. NATO's very existence would be challenged by defeat of this measure.

In the eighth place, in our own land it would mean, on the part of the communists, that their frantic efforts had been crowned with success, and a new boost to the morale and the effrontery of communists in Canada.

So I say, with reluctance and regret, that those who in this debate have indicated their opposition to this measure have shown no realism; they have shown no competence to assume any governmental task. When it comes to comparing them with those of whom they profess to be the counterpart in other lands, may I say that they are indeed ideologically the followers not of Mr. Attlee but of Mr. Bevan. Appropriate indeed was the title applied to that group by the Montreal *Gazette* yesterday when they were heralded as "the Bevanly host". "Bevanly" indeed! Thank heaven they are not a host.

One may sympathize with the hon. member for Rosetown-Biggar (Mr. Coldwell), the leader of the C.C.F. party in the house, as he has had to submit to the humiliation of listening to the speeches that have been made by his followers in condemnation of the measure before us in this debate.

Sir, I think we must express surprise and at the same time regret that we should hear that the same organization, the C.C.F. national council, is about to sponsor a visit of Mr. Attlee to Canada. Let me make it clear, in relation to this news dispatch that reached us yesterday, that Mr. Attlee enjoys the respect of us all, whatever our political views may be. I am sure most members of the house have had the opportunity to meet Mr. Attlee, some of us on various occasions, and we all respect him. We respect and uphold the views that he expressed in support of this measure of German rearmament in the British House of Commons. Mr. Attlee will always be a welcome visitor to Canada, but, sir, it is something new for the leader of a political party in the United Kingdom to be coming to Canada on a visit sponsored by a Canadian political party. That is the news that came to us yesterday.

We are told that Mr. Attlee will make a coast to coast tour of Canada between April 11 and May 1 under the sponsorship of the C.C.F. national council. I am sure it would be regarded as effrontery if the Conservative party in this country invited Sir Winston Churchill or Sir Anthony Eden to come to Canada and undertake a tour under our auspices. It would inevitably be a political tour. Unquestionably use will be attempted to be made by the C.C.F. for their own political purposes of the forthcoming visit of Mr. Attlee which is to be sponsored by the C.C.F. national council.

If Mr. Attlee chooses to visit Russia or chooses to visit China on the invitation of the governments of those countries, I am sure it is no affair of ours, sir, but it is an affair of ours if the leader of a British political party comes to Canada to make a tour under the auspices of a Canadian political party. It seems to me, sir, while Mr. Attlee is widely respected by all of us here and will always be a welcome visitor to Canada, that he ought not to be accepting the sponsorship of a political party in Canada for his tour.

Finally, sir, I wish to say this about the course that we are taking. It is a momentous course, but I ask: Is it within the bounds of contemplation that Canada should follow a different course in this matter from that to which the British House of Commons has already committed Great Britain, that land which in its finest hour saved the world? Is it in this situation thinkable that Canada should follow a contrary course to that being followed by the United States which, whatever its faults and shortcomings may be, has at least taken the burden and responsibilities of world leadership in the post-war years? Is it thinkable that Canada should follow a different course from that to which the French national assembly has committed that nation, invaded three times in living memory, France which has bled? Is it thinkable, sir, is it within the realm of contemplation of hon. members of this house, that Canada should take a different course from that followed jointly by Britain, the United States, France and other western nations? I tell you if we were to take that different course this country would never again be able to lift up its head in international company, and that respect which Canada has won at international conferences over the years from the close of world war I to the present time would be lost forever.

There are dangers, yes. We are calculating those dangers, we are measuring and weighing them here and now; but is that any excuse for allowing ourselves to be paralysed by fear into insensibility and inaction? The western world has already suffered much by the fact that the communists have been outthinking and outplanning us. They have been planning ahead of us. We have been waiting always for them to take the lead and then we have been taking defensive measures to try to counteract those measures which they have taken in lead of us.

Sir, the measure now before us and the alliance to which it gives expression offer to us as part of the western world an opportunity, long sought and long awaited, to take the lead. The time has come indeed for bold and courageous measures. How often in this debate have I thought of those words of Shakespeare:

> but I tell you, . . . out of this nettle, danger, we pluck this flower, safety.

There are dangers, but in accepting what dangers run with this decision we shall yet win safety. That is the lesson of the airlift. That is the lesson of these years. We cannot guarantee the result. It is an imperfect world. None, I am sure, is more conscious of the limitations of human wisdom than we who are about to vote on this measure today, but we must take the best advice and use the best sense we have. For my part, sir, I have no hesitation in following the course recommended by Churchill, Eden, Attlee, Eisenhower, Mendes-France and the great majority of the members of this house in preference to the course recommended and sought by Bevan, Malenkov and those members of the C.C.F. who have spoken against this measure.

This is the means by which we must seek to strengthen the European dikes against the tides of communist aggression if we would hope to have either strength or time to erect similar dikes in Asia or Africa.

My reasons for supporting this measure are not merely negative. They are positive. I do not accept the philosophy or view that the Germans can never change. I admit that there is much yet to be done to establish the contrary, but I am not prepared to accept a course that commits me for all time to the view that the Germans cannot change. I believe that there are great numbers of Germans who are anxious, in the spirit of democracy and in the spirit of freedom, to purge the stains that nazi brutality has left upon Germany and upon the world.

Nor can I accept the view that Germany and France are forever destined to be enemies. It may be, sir, that we are here witnessing the great fulfilment of a dream,

more than we could ever have hoped for, a dream that was expressed by Sir Winston Churchill in these words but a few years ago:

> If we could only weave Gaul and Teuton so closely together economically, socially and morally as to prevent the occasion of new quarrels, and make old antagonisms die in the realization of mutual prosperity and interdependence, Europe would rise again. It seemed to me that the supreme interest of the British people in Europe lay in the assuagement of the Franco-German feud, and that they had no other interests comparable or contrary to that.

In this land, where our ancestors are drawn alike principally from Anglo-Saxon and from French sources, surely we must echo that hope and share that dream. Are we not prepared to believe now as an act of faith that when Churchill uttered those words he spoke not simply for the living but also for those heroes who in a thousand military cemeteries people the sacred cities of the dead?

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I feel sure all hon. members will have heard with a great deal of apprehension the news reported in this morning's paper, that in the area of Formosa there is a situation which could readily explode into a new world war. I think that on this occasion it will be at least reassuring to the people of Canada that the Secretary of State for External Affairs, replying to the leader of this party, has stated the official position of Canada, indicating that the problem of Formosa should be settled by the United Nations, or over an arbitration table.

And so, in prefacing my remarks concerning the very serious situation facing us in connection with Formosa, I cannot but be astounded by the government's position when an attempt is made to solve a far less urgent problem, by means of an armaments race which, undoubtedly, will take place in connection with the matter before us. I refer of course to the agreement which would permit the entry of Germany into NATO, and involves the rearmament of Germany.

I do not intend to take much time answering some of the criticisms which have been made of members of this group who, like myself, hold the view that the rearming of Germany at this time is ill advised and fraught with many dangers.

The hon. member for Eglinton (Mr. Fleming) who has just taken his seat took a great deal of time in his speech by innuendo and other references in an effort to indicate that the members of the C.C.F. are not sincere in their convictions. The hon. members for Nicolet-Yamaska (Mr. Boisvert) and Meadow Lake, did likewise. It is not my intention to take time to deal with these expressions. I am used to red baiting. I would say only this, that it had never been the hallmark of Canadian democracy to have a slavish obedience to any political party or to any one idea. On the contrary the essence of parliamentary democracy in Canada is that any member can rise to his feet and express his opinion without fear of vilification.

[Mr. Fleming.]

And so today I intend to do just that. Each member who has spoken, whether in favour of the rearmament of Germany or otherwise, has expressed his fears as to the outcome of that decision. Each member, by one argument or another, has indicated that the proposal is fraught with many dangers and that a calculated risk is involved.

I believe it is ill advised and dangerous to the peace of the world to rearm Germany. One might very well argue emotionally about the atrocities committed under the nazi regime, but, in the light of the seriousness of the situation, I do not think we need do that. However, we must try to be realistic and objective in our approach to this great and complex problem.

The viewpoint expressed by the Secretary of State for External Affairs runs something like this: That there is a vacuum existing in Germany, and that unless the west moves to fill that vacuum, communism will move in. I do not agree with that, and I will support my contention with quotations. I shall quote first Dr. Russell who, in the issue of December 8, 1954, of *The Nation* has this to say:

> The truth is so plain and simple that it seems as if governments must in time become aware of it: the communist and non-communist worlds can live together or die together. There is no other possibility. When both sides realize this, it may be hoped that they will choose to live rather than die.

And again, the well known writer George F. Kennan, former ambassador to the Soviet union, has this to say:

> As many of you already know, I have never seen any evidence that the Soviet leaders have at any time since world war II (or before, for that matter) desired a general war between the Soviet union and the major capitalist powers, or looked to such a war as a likely means of achieving their objectives.

So I do not think there is any immediate concern in the matter of invasion of West Germany. As a matter of fact I believe that the rearming of West Germany can only mean that there will be reciprocation on the part of the Russians and that they, too, will increase their armaments to keep balance with those the west might provide for the Germans. Therefore I say the minister's argument that Russia will not take reciprocal action to keep her strength in armaments equal to that on the allied side is somewhat ridiculous.

Again, those who have supported the rearming of Germany have argued that, through strength, we can achieve the reunification of Germany. In this respect I believe that in rearming West Germany a curtain will be erected so that it will be very difficult to bring about any form of disarmament. And I believe there will be other dangers, one of which is that, in time, the German army, rearmed and under old nazi leaders and under the military control of the whole country, will begin flexing their muscles, so that in time there will be real danger that they would start negotiating with Russia to get the things they want.

I believe that is the greatest danger in connection with this problem of Germany today—the danger that when Germany is reunited or rearmed, because of her interests in the east she will negotiate with her former enemy, Russia. And when that time comes it seems to me there would be little hope that the guarantees indicated by the minister would be sufficiently effective to control the destinies of that country.

It is my view that, rather than a policy of immediate rearmament, the west should proceed step by step in a rearming program. By offering real democracy and better economic conditions to East Germany there would be a basis from which we could reach some solution. As it is, I believe there will be two armed camps standing side by side within a short distance of each other, a condition fraught with many dangers.

There are others with authority and good judgment in these matters who bolster my argument. I would refer first to Dorothy Thompson and Thomas Mann, both of whom believe as I do that German military power would be used eventually for her own interests. Thomas Mann says, as reported in the *Citizen* of January 20:

> The trend of world affairs is menacing, pregnant with disaster.

And then he warns:

> Putting yesterday's mortal enemies back in the saddle, the west is scandalizing the peace-loving majority of West Germany.

And so I believe the move to rearm West Germany is a very serious procedure indeed.

I might digress from my argument just to point out what is involved in a third world war. I hold in my hand a copy of the *U.S. News and World Report* of January 28. On the front page in large red and white letters I find the following: "No need to bomb cities to win wars." I do not agree with the contents of the article to which I want to refer. The article was written by Colonel Richard Leghorn. I do not agree with his arguments because they are fallacious, they are pregnant with disaster for the west. However, I want to indicate what he has to say in regard to the situation now facing the world, should a third world war come upon us. This is what he says:

> One hundred assorted modern bombs on target can knock out one half of United States industrial capacity and tens of millions of Americans. The 100 largest cities of the NATO powers in western Europe contain one-quarter of its population and a greater fraction of its industrial capacity. Two hundred bombs on city targets would destroy the western world.

Further on this author indicates that an intercontinental ballistic missile has been invented. This missile can go from continent to continent at a velocity twenty times the speed of sound, and there is no method of defence against it. Therefore, we are facing a serious problem in trying to settle this matter.

My conclusions are not entirely my own. They are also those of our national convention which took place in the early part of last year at Edmonton and the decision of the national council. It, too, is the decision of the world council of churches and many other citizens throughout Canada. There has not come to my desk one letter indicating support of rearming Germany. On the other hand I have received many letters protesting the rearming of Germany at this time.

There are some things that plague the world today which prevent a real solution to the problems of war. The conference table of the United Nations has been plagued with the fact that people who go there with high hopes and sincerity have to work under pretty difficult conditions. I wish to refer to what I think is the basic cause of war today, namely, the international cartelization of the armament industry. Any hope of world peace is bound to be bedevilled as long as that situation exists. It is well known to hon. members that during the first world war Canadian soldiers in France were wounded and shot by machine guns manufactured in Britain. We also know the story of Madame Chiang Kai-shek when the Americans were in China during the last war offering military assistance. The story is told of Madame Chiang Kai-shek coming in with a piece of a Japanese plane of American make shot down over China. We have all these contradictions.

I want to dwell on one important world cartel which in itself proves the point I am trying to make. I refer to international capitalism and those merchants of death. They know no country; they know no patriotism; their allegiance is to one thing and one thing

only, namely, the making of profit. They have no compunctions about the deaths they cause; their one idea is centred on the making of profit. I wish to refer to the I. G. Farben company, the great nazi Germany chemical empire.

This great cartel operated during the last war. As a matter of fact it was responsible for the near success of Hitler. In the early days of 1932 when Hitler was coming to power this cartel played an important part in his rise to power. At the Nuremberg trials in 1947 24 leaders of this German dye trust appeared. At that time the conscience of the world was awakened. Perhaps that has all been forgotten since. These 24 leaders appeared before the military tribunal at Nuremberg, and charges were made that the I. G. Farben company played an important role in preparing the third reich for aggressive war. This is one of the largest firms in the world. It has 400 participating firms in Germany and over 700 affiliated companies in 104 countries throughout the world where they gained the control. Where they have not direct control, then they control the companies by patents and other policies. The charges laid at these trials were that this company was guilty of wilfully engaging in activities indispensable to Germany's aggressive war.

On November 6, 1932, the Reichstag elections were held. The nazis lost very heavily. There was a conference between Hitler and the leaders of this great cartel. At that time the Farben company was going to cease manufacturing synthetic gasoline; but when they went to Hitler he promised them assistance, and from that time on there was friendship between this important company and Hitler. More than any other thing in the world, this company was responsible for the war machine of Hitler. Indeed the ramifications of this company went so far that they gave money to the Sudeten Germany free corps which was a sabotage association, and it did other work on the frontiers in order to cause trouble.

It is worth noting that Hitler had only a small segment of the people on his side, but he had this huge and powerful industrial concern. When we look through newspaper reports at this time we find that once again this huge chemical firm has been reinstated in all its ramifications all over the world. This company even has its tentacles in Canada. At the Nuremberg trials it was found that seven Canadian companies were in some way connected with this great chemical concern. Until people of good will in the world, people in responsible positions—I am now speaking to this government—are prepared to take a stand to decartelize these warmongers, these merchants of death throughout the world who govern and control by their assistance to governments and through their propaganda, we shall not have peace.

As a solution I have a six-point program which I want to put before the government and the house. The policy of the western nations should be: First, to accept the fact that coexistence or no existence is a reality and there can be no victory for either side if a third world war should come. That is the first thing we have to realize and accept.

Second, we must accept the proposition that genuine and permanent check of communist influence is possible only with better ideas, politically, economically and morally, and institute these in world policy at every level.

Third, we must reiterate our faith in the United Nations. I am very happy that the minister of external affairs has expressed this faith in the United Nations in connection with the situation developing in Formosa, and that Canada will again have faith in the United Nations for the solving of the great problems of mankind. We must reiterate our faith in the United Nations as the framework to establish world peace and justice.

Fourth, we must immediately attempt, stage by stage, a reduction in conventional and new weapons.

Fifth, we must set up a world arms control agency under the United Nations to control arms production, both conventional and new weapons.

Sixth, we must set up through the United Nations an agency to break the world-wide cartelization of profit-motivated merchants of death.

We are going to be plagued with this situation. These people have allegiance to international capitalism and to no other ideal. They have no allegiance except to the profit motive. Surely the good will throughout the world, surely governments in responsible positions in the democracies are going to see that something is done about this so that the world will not be faced time and time again with world wars.

In conclusion I want to say that I am against rearming Germany because I do not think that a solution can come through an arms race. The logical thing is to realize that you can never reach the pyramid by which one side will gain over the other enough tactical strength, enough armaments to assure victory.

When speaking at Estevan in 1945 I put forth the proposition that it was a case of finding out how to live with Russia or to die

with her. At that time I expressed the opinion that by the use of technological means at our disposal the western nations, as the hon. member for Winnipeg North (Mr. Stewart) said, by going into those areas where there are economic conditions from which communism can grow, and by correcting those difficulties, could gain the opportunity of living in coexistence with the Russians.

We are today fighting an ideological war and we shall not win it by force alone, except the force of conviction that we have the best kind of government in the world, democracy, and by showing that we have moral principles and that we are prepared to establish moral agencies throughout the world.

I think this is the hope and aspiration of all people of good will throughout the world. I only hope that what I have said may have even some small sympathetic reception in the hearts of people who believe, as I do, that war solves no problem.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I would like to make my position known in respect to the present resolution, and at the commencement of my remarks may I read what the resolution is:

> That it is expedient that the houses of parliament do approve the protocol to the North Atlantic treaty on the accession of the Federal Republic of Germany, signed by Canada at Paris on October 23, 1954, and that this house do approve the same.

Mr. Speaker, I do not suppose there has been any one decision over the past few years that is so important as the decision which we are called upon to make in this resolution. We have often read in the past of the responsibilities of members of parliament. Sometimes those responsibilities have been depreciated by a cheap sort of journalism. Perhaps it appears that there may be some element of insincerity with our work at times; but when members of parliament come face to face with such a decision as we have to make in voting on this resolution, then those responsibilities are not child's play in any sense. The decision that we are to make in respect to this resolution as far as Canada is concerned may well determine the future course of history.

When facing a responsibility of this kind I cannot help turning my mind back to the time when the late Right Hon. William Lyon Mackenzie King came into this house, after calling a special session of this parliament, and asked us to vote to declare war on Germany. To me that was perhaps one of the greatest decisions which I have ever had to make in my political life, because at the time my two stepsons and my first-born son were of military age.

Of course I followed the events of the war very closely. I am not alone in this. Like the hon. member for Lethbridge (Mr. Blackmore) and others in this house, I suffered the heartbreaking experience of losing my own son in that war. Such heartbreaking experiences not only tear at one's heart but cause one to think and to think desperately. I followed the events of that war and the events that transpired after the war. I followed with interest the conferences that were held by the big men of the earth, the conferences between President Roosevelt, Prime Minister Churchill, Stalin and later President Truman. I recall the conferences of Yalta and Tehran.

As I followed them closely, wondering how they would affect the future course of history, believe me, I have come to the conclusion that no greater treachery has been perpetrated upon the human race than was accomplished at those conferences. Time and time again we gave a foothold to what is now our enemy and helped it to build its strength to its present powerful position, and which today constitutes a threat to our civilization.

I must admit that as I looked at those things with the emotion that characterizes every human soul I was tempted to adopt an unchangeable decision that I would never, never again vote for any measure that would indicate in the least possible degree the possibility of war, for I determined that never again should I ever have any confidence in those who have the responsibility for determining international policy.

Now we are face to face with another decision, and in facing that great decision I am also faced with the knowledge that I now have another son of military age. But as I think of that other decision and that other son I must also remember that we have another enemy, and an enemy who is perhaps just as ruthless if not more ruthless than the enemy of a few years ago.

We have heard a great deal about German atrocities. I know that we all, each and every one of us, abhor them. Each and every one of us detests them. We do not even like to think of them. It is significant, however, that many speakers in this debate who have mentioned those atrocities have paid little attention to the atrocities of the present enemies of the west. Millions upon millions have been liquidated by Russia and her satellites for no other crime than simply a desire to own their own little farms, and live their own lives freely. We are faced now with that enemy and must now make a decision in respect to it.

Well, Mr. Speaker, as far as I am concerned I lost one son and I have another who is now

of military age, and when I think of them I recall the remarks of an hon. member in this house. I was moved to tears as I heard the concluding remarks of the speech delivered in this house the other day by the hon. member for Cartier (Mr. Crestohl). Some of us perhaps think we have suffered, but I would like to refresh our memories by reading a few paragraphs of the hon. member's speech. I quote from page 401 of *Hansard* of January 20, 1955:

> I know, Mr. Speaker, that all my colleagues in the house will bear with me if they find that I have spoken with some emotion on this subject. If I did so, it is perhaps due to the fact that, to a greater extent than anyone else in the house possibly, I have personally been a victim of nazi cruelty. My rather distressed feelings result not only from the fact that I belong to that ethnic group which suffered most, but also because my own uncles, aunts and cousins, consisting of a family of over 60 persons, were tormented and put to death by the nazis. Hon. members I am sure can therefore appreciate that if, notwithstanding the over-all record of nazi cruelty and my own personal grief, I am still led to the conclusion to vote in favour of this resolution, I do so only because, to paraphrase a Shakespearean line:
>
> "Not that I dislike Berlin less,
> But because I fear Moscow more".
>
> By your leave, Mr. Speaker, I would like to make one more personal remark, and it is this: As I stand here before my colleagues on the floor of this house, and as one of the spokesmen of my ethnic group, I most solemnly declare that I vote for the resolution, but not without a deep ache in my heart caused by my grave doubts, apprehensions and misgivings; and I therefore accompany my vote with a most fervent prayer that, in the wisdom of Him who guides the destiny of us all, this vote may be for the betterment of all mankind.

I might point out, Mr. Speaker, that the pronoun "Him" is spelled with a capital letter. I suppose those words now written in *Hansard* will finally be buried in our musty old archives, but though they might be buried there they will not be buried in the eternal record.

I have pointed out that we have another enemy to face. In this regard we have heard a good deal lately about the dangers of German rearmament. I know we are all very conscious of that danger and, as the hon. member for Cartier pointed out, we approach it with some misgiving. We have heard a lot about the German military machine. But the fact of the matter is that we have heard very little from the people who debate in this fashion about the tremendous power and ruthlessness of the enemy who now confronts us, and that enemy is not a German war machine but another war machine more powerful than any the world has ever seen, except perhaps that which is gradually coming into existence through NATO and largely because of the strength of the United States.

I declare that we have no choice, Mr. Speaker. We are faced with an enemy and we face him today. It is not a matter of what might happen in future years following the rearmament of Germany. The important question is what is happening today.

A couple of years ago it was my privilege to visit Germany. I cannot reveal the names of those with whom I spoke, but I will say that on one occasion I had an opportunity of speaking with three or four high German government officials. I believe that experience that evening will perhaps highlight many of the other experiences I have had. Those top ranking German government officials were not nazis. In fact, one gentleman, whose name I am not at liberty to reveal, was on Hitler's liquidation list, managed to escape, and because of his ability and desire to serve his country returned to Germany. He told me that the great desire of those in office in Germany was to bring Germany within the orbit of the free and democratic nations of the world. One might ask what confidence we could have in those words. But if we adopt that attitude we might as well ask what confidence we can have in anyone's word. I felt at the time that there was a great desire on the part of those in top ranking influential positions to bring Germany back—yes, I know, restore her sovereignty—but also back into the place where she would be known as a free nation, and take her place as one of the free nations of the world.

I now want to pass on to another subject that I think is extremely important. It has been mentioned a number of times. I refer to the subject of the necessity for continuing negotiations with the enemy. I say "the enemy". There is no other way to describe them. My hon. friend who has just resumed his seat talked about the possibility of coexistence. I am well aware of what that means. I am not so stupid as to believe that we are not living in a world side by side with the enemy. The propagandists for coexistence mean only one thing. They mean for us to live at peace by granting concessions all along the way to those who are proposing this idea of coexistence. It means negotiation by concession.

The other day the hon. member for York South (Mr. Noseworthy) argued that progress had been made by negotiation. Let us not ever believe that Moscow has changed or will ever change its ultimate objective. It never will. When we talk about progress by negotiation, we can mean only one thing, namely progress by concession. I have yet to see that we have received any benefit of

negotiation with the Russians. Only the communist imperialists have come out on top. If it is progress at all, it is progress down hill. It must be remembered that you can make progress down hill.

I heard a great deal about this progress by negotiation and about pursuing peaceful means. I know it is a nice phrase. The Secretary of State for External Affairs this afternoon used it. What I think we must determine is whether or not this enemy of ours is evil. Let us determine that fact first. Is it evil or is it not? If it is evil, then is it right for us to coexist with it and to grant concession to that which is evil? That is the decision we must make. We talk about peaceful means, but what is meant by "peaceful means"? They are nice words; it is a glowing phrase. It is nice to use it, but there is only one thing that phrase "by peaceful means" can mean. "Peaceful means" is a delusion and a snare. It is a delusion and a snare to assume that evil aggression can be overcome by peaceful means.

I do not want to stand here and to sound like one who is anxious to fight or is anxious for war. Over and over again in this debate it has been said that nobody wants war. Nobody hates war any more than do I or other hon. members. But we must face realities with regard to this matter. The only place where peaceful means could be successfully employed is between men of good will; and our communist enemies—I will not call them our communist friends—have proven over and over again that they are not men of good will. Just how far would law enforcement agencies get if they notified the underworld that henceforth every criminal problem would be solved by peaceful means only? If the F.B.I. or the R.C.M.P. and all our police forces were forbidden to use arms and were instructed to resort to peace in opposing criminals and criminal acts, the resulting increase in violence and crime would terrify and demoralize the whole nation. The use of the term "peaceful means" is meaningless when applied to the acts of violence perpetrated by international communism. We must destroy the ability of the communists to inflict injustices upon others or we ourselves must face ultimate destruction. There is no alternative.

As to this particular resolution, may I say this. The masters of the Kremlin are more anxious to weaken and to make ineffective the North Atlantic Treaty Organization than they are to do anything else. They are more interested in pushing the United States out of Europe than in any other political objective today. Why? Because they know that just as long as NATO is effective, they will not be able to move with respect to their political objectives, at least in that part of the world.

Let me now say this, Mr. Speaker. Some of our friends have been warning against the possible dangers in respect of a rearmed Germany, as though when once it is rearmed it is going to turn on us. I suppose that might be a chance we have to take. But let me throw out this thought. If any conflict should break out in Europe, it would not result in a local skirmish; it would result in another world war. We do not want it to come but I say that in that event I would rather have Germany with us than against us.

May I read from an article written by William Henry Chamberlin. Of course there are some people who will perhaps denounce Mr. Chamberlin for his attitude on many things. But in an article he wrote not long ago he throws some light on this picture in respect of the rearming of Germany. I am not going to read it at all, of course, but there is a point here that I think is well worth consideration. He says:

> Europe cannot be defended against occupation unless there is at least one strong European power.

I believe the idea of this resolution is to make NATO effective and to make it a strong power. Mr. Chamberlin continues:

> Unfortunately not one nation on the continent qualifies under this definition today. It is no exaggeration to say that Germany offers the only hope of playing this role.

This is the particular thought I wanted to bring before you, Mr. Speaker:

> . . . the rearming of Germany in alliance with America—

And under this resolution it is an alliance with the North Atlantic Treaty Organization.

> —and the west is the most hopeful means of cracking the iron curtain. The inner rottenness of the Soviet puppet regime in the Soviet zone of Germany was exposed on June 17, 1953, when only the presence of Soviet troops made it possible to put down a widespread spontaneous uprising. Without the backing of Soviet occupation troops the red Quisling regime in the Soviet zone would not last five minutes.

Then the article goes on to say that "the Soviet zone is extremely shaky." The article continues:

> Some opponents of German rearming, in and out of Germany, contend that the German people are more interested in national unity than in association with the west. But there is really no such alternative. The Soviet government has never consented to German unification on the only basis that would be acceptable to the overwhelming majority of West Germans, conservatives and socialists alike: free elections accompanied by freedom of speech, press, assembly and political parties. The last "election" in the Soviet zone late in October followed the usual totalitarian pattern: one

official list of candidates, people prodded to the polls by intimidation, a 99·3 per cent majority for the official list.

Skipping a bit in the article, I read this pungent part:

And once the chain of Soviet empire snaps in its weakest link, in the Soviet zone of Germany, the crack-up of the whole jerrybuilt structure of Soviet imperialism in eastern Europe, with repercussions on the dictatorship in Russia, would become a possibility. No wonder Molotov gives the prevention of German rearmament the highest priority in his foreign policy aims.

Believe me, Mr. Speaker, it is an obvious thing of late that the prevention of German rearmament has had top priority in the Moscow propaganda program that permeates the world. I do not want to say that men have not spoken in this debate with a good deal of conviction, but I say that that conviction must be very naïve if they cannot see that. Many speakers have expressed their approval of the high level of debate, and I do not want to minimize it. Should any members take a position that is opposite to mine, I am not going to call them communists. I am not very much concerned with whether or not a man carries a communist card. I am concerned about the men who follow the communist line. I say that it is the most illogical thing for one to bellow: "I hate communism, I do not like communism, communism is a thing I abhor", and then turn around and do the very things that the communists want them to do. That is illogical, and I cannot see how a person can be so naïve that he cannot see that.

As far as I can visualize the world scene, I cannot see that there is any other position to take, with all our misgivings, than to vote for the resolution. We have Germany, a country with a high degree of national unity, with proved industrial and military capacity, with a negligible communist fifth column, and a bitter sense of grievance against the Soviet union. What more could we ask in the way of a co-partner with us in the North Atlantic Treaty Organization? It is true that Germany has been our enemy in the last two world wars, but it is not a new thing for a former enemy to become an ally any more than it is a new thing, as has happened today, for a former ally to become our enemy. It is not a new thing.

One can talk about Germany, the ruthlessness of Germany and so forth, but I think we are all aware that we cannot tag the German people with that. The speech made by the hon. member for Lethbridge (Mr. Blackmore) yesterday is most revealing. The German people came under the dynamic leadership of a dictator but there were circumstances involved in those years and, if I may say so, they fell for it. That does not

mean to say that the nature of these people is ruthless. Many of us have German communities in our constituencies. We mingle with these people and they are just as good citizens and good people as any of us. Personally I should like to keep them as my friends.

It is better to have this powerful nation as our friend in the face of any threatened war than to have her on the side of our enemy. For these reasons, Mr. Speaker, I take my position with our leader and other members of this group in supporting the resolution.

(*Translation*):

Mr. Raoul Poulin (Beauce): Mr. Speaker, even before this debate was initiated, I had decided to support the protocol of accession of the Federal Republic of Germany to the North Atlantic Treaty Organization. I have not changed my mind. However, after considering some of the speeches delivered on the subject, I have thought it advisable to state my reasons for taking this stand.

In spite of all the propaganda to which we have been subjected for several months, when attempts were made to demonstrate to us the importance of the part Germany might be called upon to play in the defence of peace, I do not hesitate to give the benefit of the doubt to our allies of the NATO organization, and to grant that they are sincere in their efforts to achieve their aims.

On the other hand, we must not overlook the fact that in the countries where the problem has been referred to parliament, and even here in Canada, considerable opposition has developed.

Are the members of this last group equally sincere in claiming that Germany's entry into NATO would render peace more uncertain still and even make for added friction? I would feel like answering in the affirmative, which is the same as saying—and that is my sincere feeling in the matter—that it is possible to be opposed to the protocol and yet be no communist.

Between these two alternatives we must objectively seek the truth. It is impossible for a citizen of France not to remember or to feel in his very flesh the sufferings and misfortune which have thrice fallen upon his country in a 70-year period. For a German citizen it is not easy to forget either that these same misfortunes and sufferings, for which he is himself responsible, have by no means improved his lot even though, once out of three times, he emerged victorious from this venture.

And the memory of these sad events in both these countries is sufficient to cause an important section of the population to hesitate and to wonder whether armaments are really the best way of maintaining peace.

Under these conditions, the reasons expressed from all sides may quite properly be justifiable, by those who oppose the motion as well as by those who support it.

I should be quite inclined to believe that, in both of these opposing groups, there exists an equally sincere loyalty to the country and an unequivocal will to protect her from communism. To my mind, the difference lies in the appraisal of the means to be adopted.

In our case, however, the problem must be set in an altogether different manner. It should be discussed—publicly I mean—more calmly and more objectively. I exclude from this remark, of course, most of the speeches made in this house, and particularly the brilliant report made by the hon. Secretary of State for External Affairs (Mr. Pearson).

There is being created among the public in the United States as well as in Canada some sort of mass hysteria, some kind of mass psychosis of which the leaders themselves in the end are not entirely free.

But, and this is true of masses as well as of individuals, the moves that are made in such a condition of nervous tension are often unreasoned, and they are sometimes detrimental and fraught with unfavourable consequences.

I readily admit that those who support the cold war are largely responsible for that condition of tension in which we live; but the cold war is not always fought on only one side of the barricade; and even among those who are beyond all question on the side of right and justice—I mean our allies in NATO —there is some overdoing which tends to foster that nervous condition so incompatible with calm judgment and cool reasoning.

After all, we should know chalk from cheese. A good example of the errors which are accepted offhand by whole populations who, owing to well-timed propaganda, seem unable to think for themselves and to react, is precisely that mutual defence treaty agreed to by the United States and nationalist China. We have proof of it at this very time when we can put our fingers, so to speak, on the very serious complications that are threatening us as the allies of the United States, a consequence of that treaty which seems to me unjustifiable and indefensible.

Another instance of such exaggeration, which this time is shown by the Canadian government and but too easily accepted by a benumbed population—so to speak—as a result of well-organized propaganda, is our overexpenditure of public moneys for our participation in the Korean war and the sending and maintaining in Europe of the troops we are keeping there now, for our own protection perhaps, but mainly to protect countries which hesitate to a considerable degree to contribute to their own protection.

I express the hope that if parliament ratifies the entry of Germany into NATO—I hope and wish it will be so—measures will be taken to bring back as soon as possible to Canada the men and the materiel which we have in Europe at the present time.

By thus facing realities, we will ease the heavy burden of the Canadian taxpayers and keep our contribution to the defence of the west within reasonable limits.

In that respect, may I be permitted to quote a short extract from the editorial which *Le Soleil* published on January 22, 1955, under the following title:

Ottawa considers the German problem.

The writer devotes a few lines to the problem in general, then states precisely what I have said, that certain European countries seem to drag their feet, so to speak, with respect to the setting-up of their own defence. The editorialist then adds:

> Such being the case, ratification by the Canadian parliament will in fact have but very little effect on German rearmament.. We should be humble enough to admit it. In this way we would be able to equate our international commitments with our small population. In this connection Canada could think of repatriating at least the ground troops we maintain in Germany, at colossal expense, quite out of proportion with their military usefulness, in return for our agreeing to the rearmament of a nation which, through its own fault or that of world politicians, has twice drawn Canada into war in the space of a single generation.

Nevertheless, even though we must be careful, even though we must guard against propaganda and try to look at things objectively when everything conspires to rush us, we must recognize that we are, at this time, faced with a dilemma which must be solved.

Shall we allow the German republic to rearm and to enter that group of countries with which we are associated for our collective

defence on an equal footing or shall we allow her to rot in a state of forced neutrality, inaction and repression, which may be without danger when it is chosen out of free will, but which readily becomes a cause of the most serious disorder when imposed by coercion from outside?

In my humble opinion, it is not so much a question of deciding whether Germany will be rearmed or not, but whether or not she will recover her freedom. In spite of all the ills she has in fact brought upon Europe and the whole of humanity, by reason of her unjustified aggressions, it appears to me that we have no right and that it is not wise to keep this vanquished people indefinitely captive. That would be, moreover, a means of redeeming the errors committed after the last two wars when we seemed to be wanting to tighten to the limit the grip intended to crush an overly venturesome enemy. Undoubtedly, the rearming of Germany carries probable risks, but I sincerely believe that these risks are smaller than the ones we are running by letting this country fume under inaction and repression.

History does not relate a single instance where a young, strong and vigorous nation might have been kept for a long time in trusteeship, as has been the case, since the end of the last war, of both Germany and Japan. That might be possible with decaying and decadent nations, but it will never be possible in the case of present-day Germany.

We must also never lose sight of the fact that an opponent as treacherous and as unscrupulous as communist Russia will never be completely thwarted by armed might only. Even in defeat, they will continue to instil into our veins the poison of their doctrine.

Besides adequate military preparedness, in which I am willing to include German rearmament, we must put into play such other forces, moral forces, as honesty of intentions, superiority and integrity of purpose, honesty of means, a sincere desire for Christian justice, not only for ourselves and our allies, but also for our opponents and for the vanquished. Those are many factors of great importance in our struggle against the communists; factors which are not to be found, I do not hesitate to say, on their side, but that we must make sure to find here, in the heart and soul of free peoples.

I shall vote for the motion to approve the protocol, not so much because it allows Germany to rearm, but rather because it makes her free again, hoping indeed that, in her love for liberty, she may join us in our efforts to repel communism.

Mr. Hector Dupuis (St. Mary): Mr. Speaker, I intend, in taking part in this debate, to leave no doubt in the minds of those whom I have the privilege to represent in this house as to the stand I am taking on the ratification of the proposed rearmament of western Germany.

I do not hesitate to endorse the motion introduced by the Secretary of State for External Affairs (Mr. Pearson), to the effect:

That it is expedient that the houses of parliament do approve the protocol to the North Atlantic treaty on the accession of the Federal Republic of Germany, signed by Canada at Paris on October 23, 1954, and that this house do approve the same.

The minister, and, after him, several members have stated the reasons for taking such action. Others spoke against the measure, and I respect their views on this matter.

What! they say, we are going to allow those German barbarians to rearm again? Have the Canadians and their allies forgotten the tortures that were inflicted upon a multitude of their own nationals by the very people whom we are now seeking to support, during the two world wars which have wrought havoc in so many countries in less than a quarter century.

I would remind those who do not share my views as to the expediency and urgency of endorsing the resolution now before us, that there is not one of us who can recall without poignant emotion these two tragic events.

We still remember the cruel losses suffered by a large number of our fellow citizens. Our military hospitals are living though all too sad reminders of the results of these tragic conflicts.

We remember those days of anxiety and terrible suffering undergone by those who so bravely defended the cause of democracy on the field of battle. Our heroes are assured of our eternal gratitude and it is precisely because we seek to prevent such calamities that we are preparing to circumvent as quickly and as efficiently as possible any such undertakings.

It is precisely because we remember that we will not allow the sacrifices made in the past to remain devoid of results.

In every circumstance we wish to hold aloft the torch of our ideal, the defence of the liberty of nations. That is why we will not miss any opportunity of preparing in an adequate fashion to counter the efforts of those who, armed to the teeth, are seeking to under-

mine the principles of order and liberty which are our heritage and that of those nations with whom we are allied.

Do you mean to say, you might ask, that such freedom prevailed under the rule of Hitler or of Mussolini? My answer is no. These two proud individuals with voracious appetites who attempted to conquer the world have received their just punishment and their countries still suffer the consequences.

However, for these two dictators, it was less a matter of trying to subject the world to a universal subversive doctrine than, as the main objective of their insane attempts at conquest, to ensure the economic advance of their country through the expansion of their territory and the conquest of new lands. No doubt, this ambition was to be satisfied at the expense of other nations which these two adventurers tried to subjugate by force, but it did not necessarily involve the repudiation and the abandonment of religious beliefs by the peoples they wished to conquer.

I need not add that I condemn this idea of territorial expansion at the price of bloodshed attempted by those whom divine Providence has already punished. Will their defeat have been salutary to these vanquished peoples? I hope so, although I would not vouch for it.

Today we have to decide if we are to kneel before the Russian hydra which would conquer the world in order to establish what is called "a new order". Are we going to let communism keep on spreading terror in the world while we do nothing about it?

Are those who, through their methods, have destroyed the family spirit in so many quarters when they destroyed the authority of the parents, going to be the only ones to keep on arming?

Their propaganda throughout the world is already a menace to harmony between nations, to the peace and respect of our homes. How could we remain idle in the face of so much cunning and deceit, in the face of the hypocritical appeals to peace coming from those who are dedicated to destroy all that binds peoples in a fraternal fashion, insomuch as brotherhood can exist on earth, in order to satisfy their own ambitions?

As long as we have only to fight a country which, oblivious of the rights of others, seeks to enlarge its realm, bringing it to reason should, I believe, be a rather easy task.

But in the case of communism, the situation we have to face is entirely different. Communism is a false doctrine which we must destroy. Russia and her satellites are not so much a menace from the point of view of the purely material economic advantages which would be theirs, should they succeed. There are other and more serious consequences. We must resist this tyrannical monster, who, by every possible means—murder, torture, and so on—is trying to impose on the whole world a rule which would reduce us to the level of animals, and who would destroy even the souls of men.

To the fear expressed by some of my colleagues with regard to Germany's rearmament, I would reply that enough nations would be found to bring her back to reason and make her pay, as in the past, the price of her unwarranted ambition.

Shall we be called upon to go to the defence of the republic of West Germany following an attack by communist East Germany? Will Russia become an aggressor? Those are questions which nobody, I think, can answer.

One sure thing is that Russia—and I hope that this eventuality is as remote as possible—will lose no time to launch hostilities whenever it suits her purpose to do so. Wherever the first shots be fired, in China, Europe or elsewhere, we must be ready for anything. What an advantage it would be for the communists to be able to count upon the part of Germany they have rearmed while the other part would be defenceless!

I am not one of those who have sought to further the cause of an imperialism which has launched us into so many unhappy ventures.

However, I do not hesitate to say that should Russia attack Western Germany or civilization or nations which share our ideals, our first line of defence would lie at the very forefront of the point of attack. We would be unable to postpone action until the field of hostilities reached our own continent. Let no one believe from what I am saying that I would like to see a repetition of the days of distress we have known in the past, when thousands of our sons were called upon to serve overseas. Two of my own sons agreed to make that sacrifice. I have others who would be of enlistment age should another war come and I beg Providence to spare them the sad calamities brought about by war.

However, we must do our duty. I am confident that we will give no respite to our common enemy, that we will take all necessary steps to fight that enemy and that we will agree to make more sacrifices to check the march of enemy forces.

German rearmament and the entry of Germany into NATO is a preventive measure which will make Russia think.

I am sure everyone wishes to see the present international disagreements which cause so much grief come to an end and hopes that mutual understanding may give us long years of peace.

However, we must always be ready for anything that may happen; in troubled times like these, the motto *si vis pacem, para bellum* is justified. We are threatened by the forces of evil, well provided with munitions of war; we must therefore arm ourselves accordingly in order to repel the inhuman hordes that are preparing to swoop down upon the world.

I cannot conclude my remarks without challenging some statements made by two of my colleagues, the hon. member for Three Rivers (Mr. Balcer) and the hon. member for Quebec West (Mr. Dufresne). Those two members miss no opportunity of expressing their antagonism towards the government.

The member for Three Rivers deplores the fact that our country is always trying to play a leading part in international ventures. If he will only refer to *Hansard*, he will see that at the very moment when our war effort seemed to me far above our strength, his own leader thought that we were not doing enough. I am sure that the hon. member for Three Rivers would then take the first opportunity to change his mind as to the part our country is called upon to play in international disputes or international relations between Canada and other nations. I admit that, in certain circumstances, our efforts went beyond what could be expected of us. But where the hon. member becomes utterly ridiculous is when he inquires why the minister (Mr. Pearson) attended the meeting held in London by those we call the "big powers", especially, he adds, without having been invited.

The hon. member admits that we have interests to protect in Europe but he fails to see why we should seek information on the subject which was under examination at that conference: the rearming of Germany.

[Mr. Dupuis.]

For my part I think that it was necessary for our Secretary of State for External Affairs to remain in touch with the question, in such a way as to make it possible for him to give facts and reasons to his colleagues in this Canadian parliament.

I would like to take this opportunity—though I would not like to be accused of flattery—to express to the Secretary of State for External Affairs my very sincere personal admiration for the leading part he has played in the United Nations and abroad. He has caused our country to be better known and, in so doing, he has informed all nations concerned of our firm determination to defend peace. At the same time, he has most certainly contributed to the solution of economic questions and of various other problems, to the benefit of this country of ours.

German rearmament is of very weighty consequence for humanity as a whole and everything done to promote it will be such as to serve our cause.

Our minister may have no lesson to take from me, but he will nevertheless be well-advised to remain in constant touch with all questions which are of close or remote interest to us and, on occasion, to make his views known. So far his presence has been of service to our own country and to our cause.

As regards the member for Quebec West (Mr. Dufresne), he also is bent on criticizing the government. In his opinion, parliament should have been convened sooner. Did that dear colleague of ours want us to make a decision before the very countries which, according to the member for Three Rivers (Mr. Balcer), are primarily interested in studying the matter, had made their decision known as to the advisability of admitting Western Germany into NATO and consequently of granting this new ally the right to rearm? I say to these two members to agree with one another. One of them claims that we are proceeding ahead of time and the other, who shares the same political views, states that we are not proceeding quickly enough and that we should decide matters even before the parties primarily interested have made a decision. This I say with the best possible good will and spirit. Besides, it is not the first time that opinions do not seem to converge on the same point in the ranks of the opposition in this house.

However, such partisan criticism will not prevent, I am sure, a majority of members on the opposition benches as well as on the government benches from voting for the motion now before this house.

Our stand, which is not, I repeat, an aggressive one, will permit us to look to the future with greater serenity. God grant that the action we are now taking will bring us that peace we all pray for, and that the future of every country will be such that we will be glad to live there in human conditions which can materialize only through the behaviour of those who have but one wish: that the world may have peace and unity.

(*Text*):

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, it has been stressed by many who have already spoken in this debate that at this time we face a difficult problem and an even more difficult decision. I agree with that. Perhaps I might go even a little further and say it is not only a difficult but an agonizing decision that will have to be made in this house within a matter of hours.

I have listened with a great deal of interest to the remarks of the previous speakers. I have listened with a great deal of respect to nearly all the previous speakers. But I regret that a small minority has seen fit to lower, in my estimation, the high plane on which this debate has been conducted by making inferences and casting aspersions on those who may be voting in opposition to this motion.

We differ in this house individually and along party lines. We comprise five groups, Liberals, Conservatives, C.C.F., Social Credit, and independents. We differ in outlook, viewpoint and program. But I have always taken pride in the belief that we do not differ in our love of this country, in our patriotism, and in our anti-communism and anti-communist line. We are all the same on that. Therefore I think I am quite in order in saying I regret that for reasons known only to themselves a few hon. members of this house have cast aspersions, such as fellow travellers, followers of the commie line, and commie stooges, upon those who do not agree with them.

I listened with a great deal of interest to all that has been said thus far, and particularly to the speech made by the Secretary of State for External Affairs. I could not but help note the great similarity in the proposals and terminology to that which was used over 30 years ago. In the past few days we have heard a great deal about the threat of Russian might; about the fact that we need a bulwark in Germany and that the price of Germany's admission to NATO will be the partial rearmament of that country.

That expression rang a bell, so I went down to the library and found my memory had served me well. The request for our support of this motion at this time is similar to the request made for the same purpose over 30 years ago, not at that time by the western powers or the United Nations, but by the German foreign office. Gustav Stresemann was chancellor and minister of foreign affairs in Germany from 1923 to 1929, and I would like to quote a statement by that gentleman in order to demonstrate the similarity to the present proposal. I quote from "Stresemann and the Revision of Versailles", page 139:

> It was the danger of a bolshevik penetration of Germany's eastern provinces, and the accompanying danger of insurrection, which caused Stresemann to demand an easing of the disarmament restrictions. Referring to allied protests against the citizens' militia which had sprung into existence everywhere in Germany, he addressed this warning to the west:
>
> "If the path is cleared for a victorious advance of bolshevism by (allied insistence upon complete disarmament of Germany), then bolshevism will not halt at the Rhine, not at the channel, unless it is stopped in Germany."

That was not from the speech of a few days ago by the Secretary of State for External Affairs; those words were spoken just after the first world war.

There were other items, factual, interesting, and logical, which drew my attention but one other statement also rang a bell. That was the important statement wherein the minister stressed that the rearmament of Germany as a member of the NATO family would be governed by controls and restrictions, and completely supervised. We all welcomed that statement and appreciated the detail into which the minister went in dealing with it. But it is exactly what was heard 32 years ago.

Article 8 of the covenant of the league of nations is of great relevance in this regard. Perhaps hon. members would like to read it when time permits. But on that point I would like to quote from what I understand is a very authoritative book, namely "The Encyclopaedia of the Social Sciences". I quote from page 480 of volume IX:

> The treaty of Versailles imposed drastic disarmament upon the defeated powers; it also declared (art. 8) "that the maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations" and entrusted to the council of the league of nations the task of drawing up plans of reduction, which should be subject to reconsideration at least every 10 years. Members of the league also undertook to interchange full and frank information as to the scale of their armaments and military programs.

The ideas advanced at that time under the sponsorship of the western powers within the league of nations were similar to the

arguments being advanced today in support of the protocol now before this house. Yet despite the controls and agreements drawn up after the first world war under the organization of the democratic powers, we landed into a second world war.

I admit, and believe, it is the sincere hope and belief of the Secretary of State for External Affairs that this time it will be different; that this time rearmament and control under the auspices of the western powers will not lead to another world war. I earnestly hope the minister is correct. But history repeats itself; and the arguments advanced so far do not, in my opinion, contain enough convincing evidence to show me that they are not out of the realm of prophecy and the problematical. There has not yet been given a sufficient cogency of argument to show that, just as we did not know of a Hitler at the end of the last world war, we may not in the future see in Germany the rise of somebody else, be he a dictator of nazism or a dictator of communism, both to be abhorred. Those two points, Mr. Speaker, I bring in only by the way, but they are important.

I noticed that almost without exception those who have spoken said they had arrived at the conclusion that this matter could not be discussed from a viewpoint of emotionalism but that it could be considered only from a standpoint of realism. I cannot understand that kind of thinking. In fact I completely disagree with it. I make no apologies whatsoever for the fact that, in the time I have left, I intend to speak on an emotional basis because real emotionalism is based upon deep understanding and deep feeling, and deep feeling is engendered by a study and analysis of the facts.

Because we face a most difficult and agonizing decision that must be made on the floor of the House of Commons, to the best of my ability, for a great many days, I have been trying to study and to analyse the facts. I have under my desk at the present moment something in the neighbourhood of 20 authoritative books and publications issued by the government, and which are to be found in the library. It is on the basis of study and analysis of these facts that I have a deep feeling, and therefore speak with deep emotion.

What are the facts? They are as follows. It is only ten years, approximately, since the end of the second world war. What was the purpose of that world war which ended only about ten years ago? The purpose was to disarm Germany. What again is the fact? Ten years later we are being asked in this House of Commons to cast our votes in favour of a partial rearmament of the country that we fought to disarm. Canada is a nation large in area and in influence but small in population. In our lifetime Canada has gone to war twice. What for? To disarm Germany.

In discussing this matter, Mr. Speaker, should we forget the price Canada paid? I do not think we should. In 1914 the population of Canada was 7,879,000. We played our part in going to war to stop aggression and disarm Germany. What price did Canada pay? The price was 56,634 dead and 149,732 wounded. In 1939 Canada had a population of 11,315,000, and again we went to war. For what purpose? To disarm Germany. What price did Canada pay in that war? The price she paid was 41,992 dead and 53,145 wounded.

That was the price in life and limb. In two wars to disarm Germany, what was the Canadian price in goods or in money, if you want to put it that way? According to the government records, it cost Canada $2 billion to wage the first world war and $20·25 billion to wage the second world war. We are obligated to take care of the dependents of our dead, and our wounded and their dependents. According to the department I contacted here a few days ago—and I want to thank them for their co-operation—as a result of those two world wars, in allowances to the dependents of the dead and the wounded until December 31 of last year—some 26 days ago—it had cost Canada $1,994,947,807. But that is not the end. The Department of National Defence has required money, to a great extent because of German aggression and the threat of German aggression and in later years, of course, because of another threat; but it is all because of war. Mr. Speaker, if we take all those publications called "Canada's Defence Program" issued by the Department of National Defence and add the figures together, we find that from 1919 up to and including the estimates for this fiscal year—excluding the cost of waging war, and excluding pensions—our defence expenditures have reached the fantastic sum of $19,828 million.

Let us for a moment just recapitulate the price Canada has paid, mostly to disarm Germany in two world wars. Here is the way it goes. In two wars, 98,626 dead and 202,877 wounded. That is the cost in life and limb. Then there is the cost of waging two world wars, namely $22¼ billion. Add to that the cost of pensions, and you get $24½ billion. Then if you add the cost of the defence department, you get $44,047,947,807.

It is only ten years since the war to disarm Germany ended. We are asked to forgive and forget. Sometimes it is a good thing to do so. We are asked to believe that there has been a change in the national viewpoint and outlook in that important country. We are asked to believe that under control that country can be directed. We are asked to forget the price

Canada paid. We are asked to forget that, up until ten years ago, Germany was the nation that prosecuted, persecuted, imprisoned, tortured, crucified and murdered millions of innocents. We are asked to believe that all that has changed.

Mr. Speaker, it is my own personal and humble opinion that Canada could do more for peace and the guarantee of peace if we would expend our every effort and any money we can spare to teach the new generation of Germans the meaning and practice of liberty, freedom and democracy rather than to rearm the generation that negated those principles throughout their entire lifetime.

I know there are many arguments in favour of supporting the resolution. I have heard it said that irrespective of what we do in the House of Commons this is a *fait accompli* and we cannot do anything about it. I agree that is correct. I have heard it said that even if it were not a *fait accompli* we cannot and should not try to keep Germany a secondary world power and keep her out of the family of nations. I can agree with that statement too. I have heard it said that even if this were not a *fait accompli* Germany will eventually become a sovereign nation, that she will rearm partially or fully and there is nothing we can do about it. I am inclined to agree with that, too.

But, sir, in view of the fact that it is only ten years since the last war, viewing the past record of Germany, viewing history and what it teaches, I say there is one thing that we can do, at least there is one thing I can do as a Canadian citizen honoured to have a voice and a vote on the floor of the House of Commons. I can decline to put my stamp of approval on the rearmament of Germany at the present time, and that is the way I intend to vote. Emotionalism? Perhaps. But it is based on deep feeling, and the deep feeling is based upon facts.

Two generations of Canadians have gone down under German guns, and at this time, with all the evidence that is before us, I cannot see myself giving approval to what might mean a third generation of Canadians having to face German guns.

As I said when I started, Mr. Speaker, it is a difficult matter requiring a difficult decision, a decision that is agonizing for all of us. I appreciate all the arguments that have been put forward in favour of the motion. I appreciate the arguments that have been put forward by those who oppose it. I hold all those who are going to vote for the motion in the deepest respect. I pay particular honour to my own leader who, because of conscience, conviction and judgment, has come to a different decision from some of the rest of us.

So, Mr. Speaker, because I feel this way, because my feelings are based on facts, I intend when the time comes to stand in my place and be counted in opposition to the rearming of Germany at the present time.

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, I shall be comparatively brief. I am one of those who feel that diplomacy with Russia is carried on better today with a sword in one hand and a treaty in the other than with a treaty alone. That is a harsh thing to have to say on Robert Burns' day, who sang of the time when men shall brothers be for a' that, but I think we have to realize the facts that face us in the world and not engage in wishful thinking when we are debating an issue such as the one now before us.

Two weeks ago deputations came here to call on us. A group of these men and women tramped out in the snow in front of the building a message which read, "Don't rearm the nazis". It was interesting to note that the message could be seen only from one particular point in the building, and only when the sun cast a shadow at a particular time of the day. At other times and from other positions the message, "Don't rearm the nazis" faded until it was unintelligible, until it became nothing more than depressions in the snow. I suggest, Mr. Speaker, that much of what we have heard in support of that message, "Don't rearm the nazis", has had its origin in a comparatively narrow point of view, and that when we stand back and view all the aspects of the situation we must come to realize that at this time there is probably no other course open to us.

I think we come to that conclusion because "Don't rearm the nazis" is a negative attitude. On the other hand the entry of Germany into NATO, bringing her once again into the family of nations, is a positive step toward world understanding and world peace. In this connection I should like to pay particular tribute to one ethnic group in Canada and the attitude they have taken on this question. I have made a particular effort to discuss this matter with a number of leaders of the Jewish community, and I have invariably found, just as has been expressed in the house by two members who are of that particular ethnic group, that they approach this resolution and what it entails with misgivings, with unhappiness, but they are prepared to accept it because they feel it is in the best interests of all of us. I think that is a mark of true Canadianism.

It seems to me, Mr. Speaker, that one of the responsibilities of the house, if not the major responsibility, is to lead Canada and

its people, and to make our own decisions once all aspects of a situation have been studied and we have heard all sides of an argument. In this respect—and it is regrettable—I think in the past few months the government have defaulted because they have made no effort to inform the people of Canada, as they should have informed them, of all aspects of this question. The government point of view may be well known in Bonn, Germany, Paris, London and all the other places to which these perambulating ministers go, but lamentably the facts are not and have not been well known to the people of Canada. I think perhaps the Gallup poll taken a little while ago which indicated that almost three-quarters of the people of Canada could not name one single cabinet minister is an indication of the lack of effort on the part of these hon. gentlemen to get their story across to the people of Canada.

One more point, Mr. Speaker. In February, 1954, speaking in Bonn, Germany, at a dinner for Dr. Adenauer, the Prime Minister (Mr. St. Laurent) said:

> It may be, however, that European unity in itself cannot be expected to furnish an answer to the problems that face western Europe. Perhaps the time has now come to consider whether some of the steps towards closer integration, which we must take if our concept of civilization is not to perish, should be taken within the larger framework of the North Atlantic community. It would be difficult for me at this stage to particularize. But I suggest that we should perhaps be seeking solutions to the problems continuing to face you of achieving greater unity in Europe in a wider context and possibly in pursuit of article 2 of the North Atlantic treaty. It has become increasingly clear, I think, to all members of the NATO and to those many countries who are associated with us throughout the free world that our very survival and our continued development in freedom and in peace depends upon our ability to look beyond national barriers and to make them somewhat less artificial and more satisfactory.

There was more in the same vein. That was a year ago, and I think it is regrettable that in the year that has passed this government has not taken more forward-looking steps and more concrete action to implement the suggestions made by the Prime Minister at that time. There is no particular use going around the world preaching this sort of thing unless we are in a position to follow it up and do what we can to bring it about. Honeyed words without action to back them up are of as little value in international affairs as they have been here in Canada. To bring Germany into NATO and let NATO remain static is not going to be a lasting solution to the problems about which we have heard so much in the last few days.

I think the government would be well advised to go back and examine these suggestions of the Prime Minister, this promise inferentially held out of something that will be done by NATO under article 2, to see just what they are going to do to implement the proposition set forth a year ago.

I shall vote for this motion and for ratification of the treaties, not on any emotional basis, not because of any reason other than that, having examined the facts of the case and having listened to the presentations made in the house, it is my firm conviction that a vote for this motion is a vote for peace.

(Translation):

Mr. Auguste Maltais (Charlevoix): Mr. Speaker, as has been said on various occasions during this debate, the decision we have to take following the motion made by the hon. Secretary of State for External Affairs (Mr. Pearson) is of the highest moment.

For a great number of Canadians, the painful memory of the last years following the second world war is not without a morrow, and the rearmament of Western Germany brings to mind a page of history that is not easily forgotten. We remember with much grief the considerable loss of lives our nation has suffered at the hands of Hitler's men, and the wounds inflicted upon our people in concentration camps are not yet entirely healed.

But from the clear, brilliant and complete comments made by the Secretary of State for External Affairs, I gather that the decision we will reach should borrow from reason and realistic judgment that which the heart refuses to understand.

We can more easily understand the approval of this motion, when we recall the confusion caused among the free nations by France's refusal to accept the plan for a European defence community.

At that moment we feared that all the efforts made to maintain unity among western democracies would be of no avail and that a gap exceedingly hard to close had rent the wall of collective security which we had endeavoured to build against communist imperialism. Luckily for us, repeated efforts have made possible a new plan which we are called upon to ratify today and whose aim is approximately that of the European defence community.

Like many others, I received representations to the effect that the rearming of Western Germany could one day work against us.

It is certain that any international agreement is not riskproof. However, a study of the results which will follow the ratification of the protocol is enough to dispel any doubts

and make one decide in favour of the motion. Moreover, the clauses which limit the rearming of Western Germany and which are incorporated into the agreement remove a good deal of the fears that have been expressed.

Perhaps we might have better reason to fear the rearmament of Eastern Germany, which is already an accomplished fact, for who, among the free nations of the world, will dare say that in that part of Germany now under Russian occupation, they need more than one hundred thousand constables, abundantly equipped with tanks and artillery, to maintain peace and order. We all recognize that such a force under Russian control is nothing but a link in the powerful organization set up by Russia in order to make its ascendancy over the world more easily felt.

This decision to rearm our former enemy, which the latter is accepting without compulsion, not only is a direct result of the principles embodied in NATO, but also finds a justification in the continuous opposition raised by the Russians and the relentless stubbornness they show each time the question of an agreement on the unification of Germany comes up.

Moreover, this rearmament is always associated with the principle stated in the Potsdam agreement, namely, to unify Germany for the security of all nations.

Surely, this rearming of western Germany is a sad necessity, but it is the imperative duty of free nations to maintain all the forces required to prevent and deter aggression.

The experience of the last few years and recent events clearly show that the countries behind the iron curtain will be ready to stop their imperialistic march only when they realize that the wall of collective security that we are building in conjunction with our allies is unconquerable. This measure is another stone in the masonry of this wall and it would be unfortunate if Canada, by rejecting it, were to be an obstacle to the laying of this stone.

The welfare of nations in the face of communism requires a security based on the solidarity of all democratic countries. Once this security has been achieved, we all hope that it will then be possible to turn our efforts and our energy to the improvement of the common good in the peace we have been seeking for so long and which we pray divine Providence to grant us.

(*Text*):

Mr. Claude Ellis (Regina City): Mr. Speaker, much of what I would like to say has been said by my colleagues in this debate. Consequently I am not going to be repetitious. At the same time there are a number of observations I feel I should make at this time on this very important question.

It is gratifying to note the concern with which hon. members treat the subject now before us. The length and the quality of the debate are indicative of the growing interest in international affairs. I believe that parliament more and more should undertake responsibility in making decisions of this kind. I am rather disappointed that we are in the nature of a consultative body, asked to place the stamp of approval on decisions that have been made on our behalf by the minister. I realize that this is necessary in the diplomatic world today, but I do feel that on matters of general policy such as this it should be possible for the government to seek the feeling of the house. Along with other hon. members I think this house could well have met last fall to give more serious consideration to the matter now before us.

We find many hon. members rising and expressing deep concern and grave doubts regarding the wisdom of the step we are now taking. It is only logical that there are going to be differences in conclusions. I think it inconceivable that when so many hon. members are undecided, finding it difficult, as the hon. member for Spadina (Mr. Croll) did last night, to reach a decision on this matter, there should not be differences in conclusions. I think that is a test of the strength of a democratic government. Only under an authoritarian or totalitarian regime do you find conformity with government policy a necessary thing.

I find it a little difficult to understand the attitude revealed by one or two members who have spoken, who seem to indicate that once the government has laid down its position on a particular matter, then it becomes automatically in the best interests of the country and those who oppose and who hold contrary views are acting against the best interests of the country. We had one speech along those lines last evening, in which an hon. member expressed surprise that there should be some members who have the temerity to question the wisdom of what the government is proposing to do. I believe that, certainly in the field of international affairs as with domestic affairs, a difference of opinion is to be desired. Just because there is uniformity of opinion does not mean that when a mistake is made the consequences of that mistake are any less serious. I think the

Globe and Mail struck that note in an editorial, when it pointed out that while the C.C.F. might be mistaken, at least they were bringing to the attention of the house many of the serious doubts that had existed in the minds of the people of Canada. That is our job as an opposition, and I for one have no apology whatsoever to make for taking issue with the Secretary of State for External Affairs.

The high level of the debate, with few exceptions which are hardly worthy of note, indicates that we can look forward in the future to a discussion of international affairs on a sane and sober level. In the way it is handling this problem the house can set an example to the country as a whole so that Canadian citizens will not find themselves in the position of those who were described by the hon. member for Peace River (Mr. Low) the other night when, at page 382 of *Hansard*, he said:

> I believe that a good many serious-minded, loyal citizens of this country have possibly been silenced for fear that they might be classed as communists or communist sympathizers.

That such a situation could exist in Canada is a matter of serious regret, because it offers a threat to our time-honoured tradition of free speech and discussion. Those who resort to the tactics which might have brought about this situation have nothing to be proud of, because they are weakening the very fabric of our democratic system.

Many speakers have referred to the fact that the labour progressive party were quite active in trying to influence members of parliament in the past month or so; but to use this as an excuse for voting for the motion is absurd and ridiculous, to say the least. If an hon. member is going to allow himself to be influenced one way or the other, directly or indirectly, by what the communist party says, then I suggest he is placing in the hands of this discredited fragment of our population an influence and power far out of proportion to their position in the political life of this country. I am quite certain that hon. members are capable of deciding on issues of this kind without being influenced, as I say, one way or the other by the group I have just mentioned. It is rather regrettable that one or two hon. members have sought, strictly for political purposes, to create the impression that anyone who is voting against the motion therefore must have been influenced into that position by this campaign.

I am not going to be told by the labour progressive party how to vote, directly or indirectly, one way or the other. I have no respect for that organization. They opposed me in the last election, and throughout my political experience I have had a great deal of trouble with them. For hon. members to seek cover on this particular issue by pointing to this delegation and using that as an excuse for going along with the rearming of Germany is to take a very weak position indeed.

In his address to the house last Thursday the Secretary of State for External Affairs put forth certain reasons why he felt the house should support the motion. Among other things he suggested that the rearming of West Germany would serve to unite the western democracies and knit closer together the members of the North Atlantic community. With this point of view I cannot agree. In my judgment no single issue in recent years has done more to divide the nations of the western world than this very question that is before the house today.

Other hon. members have pointed out that a motion similar to this was passed in the British House of Commons only by virtue of the fact that there were wholesale abstentions in the house vote. As the hon. member for Kootenay West (Mr. Herridge) pointed out, there were around 100 Conservative members of the British House of Commons who did not go along with the government on this particular vote. I will grant you that some of the members may not have voted for other reasons, but in this instance it indicates an unusually large number of members, normally supporting the government, not going along with the Churchill government on this issue.

We know that a minority of the members of the British House of Commons voted on this matter. We know that when the matter was first brought before the national assembly in France the move to support German rearmament was defeated. The matter was introduced a week or so later; and after Mendes-France, with his tremendous prestige, had made it a vote of confidence and had wrapped up a package deal which included a social security measure, he was able to get it through the French assembly. But it must be pointed out that on that occasion the majority of the French assembly did not vote for it. I think the figures show that only 281 out of 627 deputies voted to rearm West Germany. Therefore it is correct to say that the majority of the members of the national assembly in France did not approve of German rearmament.

Opposition in France to German rearmament is not restricted to the communist party. As a matter of fact perhaps the most vociferous of the opponents of German rearmament have been the de Gaullists, the extreme

right wingers, and of course the M.R.P., the Roman Catholic party in France. So those who would suggest that objection to German rearmament is confined to the communists should pause and reflect, because if they follow that line of argument to its logical conclusion they are condemning most of the people in the western democracies as fellow travellers or dupes of the communists. I suggest that when we consider this problem we should dismiss from our minds any thought that decisions, apart from decisions made by the communists themselves, are made on any other basis than that of sober consideration of the problems involved.

But while France and Great Britain accepted the rearmament of West Germany very reluctantly and with very grave misgivings, the opposition to German rearmament is more solid in West Germany itself. To judge from the remarks made by some members in this debate one might almost get the impression that the German people are on bended knee crying out to us for justice and demanding that we give them arms. We are told that we cannot deny the German people their place in the family of nations, that we cannot deny the West Germans the right to rearm; and when those arguments are put forth one gets the distinct impression that the German people are crying out for this right. My intelligence would indicate that the reverse seems to be the case, and I would suggest that if this proposed rearmament of West Germany is to go through in its final stages it will depend largely on our ability to sell that idea to the German people themselves.

Perhaps the greatest obstacle to the rearmament of West Germany will be opposition in that part of Germany itself. The people of Germany have been the victims of German militarism in the past, and they are not anxious to saddle themselves once again with the military cliques which in the past have proved so disastrous to the continuance of German democratic institutions. It would appear that in so far as the people of West Germany are concerned, rearmament will have to be brought about as the result of outside pressure.

It seems ironical that just a few short years ago we were saying we were so worried about German militarism, and now we are setting out to convince the German people that they ought to rearm, that they ought once more to set out on the path which has had such tragic consequences not only for the people of Germany themselves but for the peoples of the world.

I agree with the statement made last Thursday by the hon. member for Peace River (Mr. Low), who said: "Does it not seem tragic and ludicrous that we should now turn completely around and plead with the Germans to think in terms of militarism, even if it is limited?" Yet in spite of this the minister would have us believe that the people of West Germany are insistent on their right to rearm. They want sovereignty, that is true; and I agree with the minister when he says that the first right of sovereignty is the right to arm. But I suggest that that right to arm is not a compulsion to arm. I suggest that this is a matter which could very well be left to the good judgment of the people of West Germany. I certainly feel that we as a parliament should not be asked to approve of something when we have grave doubts whether the people of West Germany want it at this time.

The division within Germany on the question of rearming is not difficult to understand. In the post-war years West Germany had the advantages of a demilitarized state. During this time West Germany made a remarkable recovery, due largely in point of fact to the happy position they were in of being able to devote all their energies and resources to peacetime pursuits. West Germany, free from the overpowering burden of a huge armaments program, has been able to rebuild her economy so that today many of our western businessmen are worried about the future of their markets in competition with the people of that country.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Ellis: Mr. Speaker, at six o'clock I had been discussing the remarkable recovery of West Germany from the effects of world war II, and had suggested that this was largely due to the fact that an unarmed West Germany has been able to devote her energies to peaceful pursuits. That perhaps is one of the reasons the German people are reluctant at this time to take on the burden of armaments.

I suggest that if we give the Germans time to build and time to purge themselves of the effects of 12 years of nazi brutality, West Germany could become a tower of strength in the democratic world. It is not an easy task to counteract the long period of nazi indoctrination of German youth. The Germans must have time to complete this task and to build enduring democratic institutions. Nothing can make that task more difficult, or perhaps wellnigh impossible, than the restoration to

positions of power in Germany of a German military caste. Whatever may be the reasons advanced in support of West German rearmament at this time, let us not pretend too much concern over the German right to rearm, a right which at the present time they do not wish to exercise.

The point of view which I think best expresses German opinion is that enunciated by Erich Ollenhauer, leader of the German social democratic party. According to a report in the London *Observer* of September 26, 1954, Mr. Ollenhauer summed up his position quite tersely in these words:

> First, no West German rearmament before another attempt at agreement with Russia about German reunification and on all-European security. Second, even in the event of failure of such a happening, no irrevocable integration of Western Germany into a supranational western system, and third, German conciliation with France even at the price of postponed German rearmament.

I suggest that the fulfilment of the conditions laid down by this West German statesman would do more to contribute to the building of western unity than the present efforts to force West German rearmament both on Germany herself and on a reluctant and suspicious western Europe.

I referred a moment ago to the proposition that German reunification should be a prior goal to any talk of rearmament. Among Germans in both east and west reunification is and will be a burning issue. One thing is certain; there can be no possibility of a settled and peaceful Europe as long as Germany is artificially divided into east and west. West German rearmament must be considered in the light of this fact. The question that naturally arises on this point is this. Will West German rearmament now help or hinder efforts toward peaceful reunification? On the strength of the evidence at hand I believe that the rearmament of West Germany at this time will make reunification more difficult than ever.

When we have an armed West Germany the logical consequence will be that we will have yielded whatever bargaining power we now possess. The Russians will hold the trump card, for they alone will be in a position to bargain with West Germany on the question of reunification. Russia alone could satisfy the German desire for a united Germany. And since, generally speaking, nations are motivated by self-interest, what reason have we to believe that an armed sovereign West Germany would not at some time in the future make a deal with the Russians?

The minister referred to a quotation the other day which went something like this: "Those who will not learn from the lessons of history are doomed to repeat it." When the minister made that statement my mind went back to 1939 and the German-Russian non-aggression pact of that period. I suggest that if we take note of that quotation we will exercise a greater degree of caution than is shown by some of those who support the motion now before the house.

We are told by the minister that we will have controls, and that these controls are foolproof. In other words we have nothing to worry about. The minister has great faith in the present West German government, but Adenauer will not be chancellor forever; and after Adenauer, what? These are questions that should be settled before we take the irrevocable step of placing arms in the hands of West Germans.

The German people are worried about this problem. I suggest that if they are worried about it, we also should be worried about it. Many in Germany and elsewhere fear that German rearmament at this time will lead to a West Germany dominated by the military. Such a government could take one of two steps to achieve the goal of reunification, both steps being unpalatable to the west. With an army, West Germany could seek by force of arms to achieve that which she has not been able to achieve by negotiation, namely the reunification of Germany. This could well provide the spark to set off a third world war.

The other course of action would be for a West German government to deal unilaterally with the Russians. It may be argued that these are possibilities rather than probabilities, but I believe the danger is there. I believe all hon. members should give serious consideration to the step they are being asked to take at this time. Are the 12 German divisions—which, of course, will be offset unquestionably by a similar build-up in the east—worth the terrific risks involved? That is a question which this house must answer.

In my view West German rearmament can be considered only in the light of two assumptions: first, that the efforts at German reunification be abandoned; or secondly, that reunification could be achieved by force. The first assumption is unacceptable. It is difficult to imagine that the German people will accept as permanent the division of their country into east and west. The second assumption is utterly unacceptable, since it involves a most serious threat to the peace of the world.

No one in this house has denied the risks and dangers involved in the rearmament of West Germany. The minister spoke of it

as a tragic necessity. I too consider it tragic, but I cannot agree that it is a necessity. The arguments advanced by the minister have not convinced me of the absolute necessity of taking this irrevocable step. I shall vote against this motion because in my judgment the dangers and risks involved far outweigh the possible advantages.

Mr. John B. Hamilton (York West): Mr. Speaker, as one of the newest members of this house I had been hopeful that I could have been spared the necessity of taking part in this debate. I am sure this house also wishes that it could have been spared hearing me.

An hon. Member: Not at all.

Mr. Hamilton (York West): You may recall that last week, in speaking in the debate on the speech from the throne, I indicated that I could not criticize without offering a sound alternative. However, in this extremely serious problem that faces us tonight there is no alternative. I have received the delegations, the telegrams, the chain letters and the circulars. I have seen the results of German atrocities. Yes, I have even seen Belsen. Let me make it quite clear to the hon. member for Regina City (Mr. Ellis) that in the stand I am taking in this debate I am not hiding behind any animosity I harbour for the labour progressive party. The issue is as clear-cut as set out by the hon. member for Eglinton (Mr. Fleming). The sides have been fairly taken.

We have all heard the arguments in support of the resolution, and they are arguments based not on emotion but rather on cold, hard facts. I shall support this motion. But I cannot deny the sincerity of many people who have been in touch with me in the past few weeks from my constituency of York West on the subject of German rearmament.

If I cannot criticize the stand this government is taking at this time, I wonder whether there are not some lessons to be learned from the series of events which have led up to this situation, and also perhaps some warnings to us with regard to the future. First of all, I cannot help agreeing with the hon. member for York-Humber (Miss Aitken) and the hon. member for Notre Dame de Grace (Mr. Hamilton) that this government has failed to inform the people of all the circumstances which led up to our present position. Under a democratic system it is the duty of any government to inform the public, to the best of its ability, of the conditions precedent to its policy decisions; and the blame cannot be placed on the press if access is not given to the necessary information.

In the present situation the public have not been fully aware of the fact that our "no alternative" position is the direct result of Russian communist unilateral action. For the same reason the public has not been convinced that our decision on the question of Germany's admission to NATO has been taken on our own initiative and not as a free rider on the tail of the Washington kite. The people of this country need to be convinced that our decisions are made in Ottawa. Let us hear more of the strong, clear voice of Canada in foreign affairs. In addition, there has been no solid assurance that Canada will play an important supervisory role in the rearmament program.

We must look at our decision tonight not as an end to a problem but as the starting point of a new phase in our international affairs. If we are not to break faith with those who sleep in Flanders fields, this time, supervision must work. As we cast our votes in favour of this plan, let us resolve that on the anniversary of this vote in following years we shall ask the Secretary of State for External Affairs for a report on the part we are playing in the supervision job that lies ahead, and we shall ask this time for no failure.

(Translation):

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, the proposed rearmament of Western Germany seems to upset and worry a great many of our fellow citizens.

As a matter of fact, if we were to take exclusively into account the history of Germany, the natural disposition of the German people to aggression and militarism, the atrocities and crimes committed by the Germans during the last war, then all that misgiving and worrying would surely be justified. However, I wonder whether it is fair to discuss that question only from the standpoint of Germany's past. I do not think it is. Since the last war, events have taken place that have deeply modified diplomatic relations between all nations, such as the creation of the United Nations Organization. Now less than ten years old, that organization has nevertheless marked a new chapter in the history of the world. Although we are generally inclined to look at the failings of UNO and to seldom consider its accomplishments, I think that some of these accomplishments will remain graven on the memories of men.

It should be mentioned here that in 1946, through a decision of its security council, UNO brought about the withdrawal of communist troops from certain provinces of Iran, at a time when their continued presence

would certainly have caused war. A few weeks later, through the work of the UNO security council, British and French forces were made to leave Lebanon, a move which prevented the outbreak of another war.

In 1947 the clash between Indonesia and The Netherlands was put to an end through negotiations and conciliation. We can add to that list the gradual pacification of the frontiers of Greece, the armistice in Palestine, the cease-fire in the struggle between India and Pakistan.

For the first time in the history of the world an international police force made up of soldiers from fifteen sovereign states fought under the United Nations flag against an enemy force which had just invaded Korea. It is also thanks to the United Nations that we have been able to bring hostilities to a close in that country. It would seem to me that these are important events that must be considered in examining the rearmament of Germany.

The setting up of NATO has been, in itself, a revolutionary undertaking in that it has banded together a group of European countries for the purpose of establishing collective defence and security, each country giving up a part of its sovereignty in order to contribute to mutual defence. That point, Mr. Speaker, is highly important with regard to this whole discussion.

Science has also contributed to changing the international scene. All of us will remember with what feelings we learned that it was the atomic bomb, in all its destructive power, which had put an end to the second world war. Since that time, we have been given the opportunity to ascertain the destructive force of the hydrogen bomb, which scared statesmen so, that nearly all leaders have exerted pressure to have the use of thermonuclear weapons prohibited.

Events moved on, so to speak, and at the suggestion of the president of the United States we saw the birth of an embryonic international atomic agency which nursed the hope of using thermonuclear energy for the welfare of the world rather than for its destruction.

You have no doubt heard about the progress made on the question of disarmament. Incidentally, on the question of disarmament, to those who seem to believe that Canada is assuming unjustified international prestige, I should like to point out that if there has been the slightest agreement on the question of disarmament, if there has been the least progress, it was due to the prestige, initiative and efforts of Canada in the United Nations. I had the honour to be present when this matter was discussed. I had the opportunity of witnessing the efforts put forth and the work done by the leader of the Canadian delegation who was, at the time, the hon. Minister of National Health and Welfare (Mr. Martin). I also realized that our country enjoyed in UNO and among all the nations of the world a measure of prestige which we do not even suspect here in Canada.

Everyone knows that we did not have to add to our military obligations; that did not cost the Canadian people one cent more. Besides we know that disarmament, if it could be achieved, would reduce not only international tension but also our foreign commitments and our national defence expenditures. As we all know, the amounts earmarked for the defence of our country make up more than half our budget. I cannot believe that we have come to the point where the government is criticized because Canada enjoys too great a prestige on the international plane.

However, Mr. Speaker, in view of all these happenings, we may say that our position is not the same as in 1914 or 1939. And what might not have seemed feasible at that time might be so today. For instance, I think we should now count on the rearmament of Germany on certain conditions.

All fears and worries that have been expressed about the rearmament of Germany have their source in two theories. In the first place, it has been said that, by giving arms to Germany, we are opening wide the gates leading to a new state of militarism that probably will bring about a third world war.

In the speech he delivered last week, the hon. Secretary of State for External Affairs (Mr. Pearson) did not try to minimize the risks and dangers we were incurring. He gave us to understand that the very powers who proposed to rearm Germany recognized those dangers and deemed it necessary, in fact, to include in the protocol strict restrictions with respect to the quantity and the types of arms Germany would be allowed to keep. Moreover, the army in question, as we know, will be placed under the control of the NATO forces.

Mr. Speaker, it is not a matter of underestimating the dangers which may exist. There are dangers and we recognize them but on the

other hand we can be equally certain, morally certain, that every European nation, every member state of NATO, the United Nations themselves and, more particularly, France will watch closely for any tendency toward any expansion of the German army. If France, it seems to me, could ratify those agreements and accept the rearming of Germany, in spite of the sufferings imposed upon her thrice by Germany, we can be morally assured that every necessary precaution had been taken before approving the agreement.

I wish to congratulate the hon. member for Cartier (Mr. Crestohl) on the speech he made last week. It reflected profound and legitimate emotion, but it was also inspired by cold and calculated reasoning and logic. I am sure that the hon. member for Cartier is not enthusiastic about voting to rearm Germany, but that he will do so in the light of the present situation and as the lesser of two evils.

The second theory which has given rise to those misgivings is that, by rearming Germany, we will antagonize the Russians to the point that they might start a new world war. As for antagonizing the Russians, Mr. Speaker, there is no doubt that the rearmament of Germany is going to antagonize them, but I am not ready to say that they will be antagonized to the point of starting a new world war. As a matter of fact, they have not made any important gain in the west European countries, because they fear the moral power of the European union and the military power of NATO.

It seems to me that it is our duty to bring more strength to that organization which, so far, has kept at bay the armed forces of the communists.

It must also be borne in mind, Mr. Speaker, that German rearmament and the integration of Germany into NATO is not only important, but absolutely necessary with regard to the establishment of adequate defences in western Europe. And it is precisely because Russia is afraid of this strengthening of NATO that, immediately following the London conference, she lost her head and sent out proposals and suggestions of all kinds, or invitations to conferences devoid of any meaning. It is for that very same reason too that Russia has contacted the communist party in Canada, enjoining it to exert pressure on every fellow-traveller group in this country, so that the federal government, and more particularly this parliament, would go on record as opposing German rearmament.

It seems to me, Mr. Speaker, that in the circumstances any attempt to diminish either the moral strength of the European union or the potential military strength of NATO would be a victory for Russian propaganda. And furthermore it is a notice, it is further evidence of the fiendish propensity of Russia to hide her hand so well, in the hope that the western powers be made to swallow gall for honey. We should not once again fall into this trap.

Besides, I sincerely believe that the true solution to this problem is much more important than the question of rearming Germany. This solution lies rather in the free nations giving the North Atlantic Treaty Organization all the support required to give it the strength and the effectiveness necessary to keep in check the communist threat of aggression on the one hand and, on the other hand, the necessary authority to be able to solve any problem likely to arise within the organization itself.

There will always be time, Mr. Speaker, to achieve universal disarmament once we have been given proof of the sincerity and good will of the communists.

If we cannot, Mr. Speaker, vote with enthusiasm for German rearmament, we should at least vote with determination and with confidence in the NATO forces which, since the beginning of the cold war, have held in check powerful communist forces in each one of the satellite countries of Russia.

It seems to me, Mr. Speaker, that we should have faith in NATO. Of course there are serious dangers in this whole question. We have to choose the lesser of the two dangers which we have to face. Those are facts and conditions which exist and which we cannot change, and this reminds me of this prayer of an English philosopher whose name I forget: Lord, give us enough serenity to accept the things which cannot be changed; enough strength to change the things which can be changed; and enough wisdom to differentiate between the two.

Mr. Speaker, after having considered for a long time this question of great import for the whole world, I intend to vote with confidence and without mental reservation for the rearming of Germany.

(Text):

Mr. Colin Cameron (Nanaimo): Mr. Speaker, tonight I am going to begin by begging the indulgence of the house to permit me to cite one or two experiences I had last fall. I think perhaps I am entitled to that indulgence because you will recall that last year I was the sole worker in this particular vineyard of debate, whereas this year there has been such a rush of workers that I have been almost squeezed out of the gate. So I am going to take a few minutes to tell of my experiences last year in Germany and in Berlin.

About four months ago I was in west Berlin, speaking to various people there, asking them about conditions in Berlin both east and west, asking about the way one might travel from the west sector to the east sector, speaking to such people as an old bookseller who told us about his quite hair-raising experiences the year before when he had had to flee from east Berlin to save his life because he had resisted police pressure to allow his bookstore to be used as a point of control.

I had conversations with many people, in particular one lady who lived in Wannsee, whose son was a doctor, and whose practice took him into the east sector. She told us of her anxiety until her son arrived home each evening. I heard endless tales of almost unbelievable brutality and oppression in the east sector, tales which tragically were only too well authenticated.

With my wife I inquired about going from the west sector to the east sector, and we got conflicting answers. Some people held up their hands in horror at the very thought of anyone taking the unnecessary risk of going into the east zone. Others suggested that there was not any very great risk, that it was easy enough to accomplish.

We had gone to Berlin with the express purpose of seeing in east Berlin what we could of the communist regime. So one day we started down the Charlottenburgersallee to the Brandenburg gate, which is the division between the east and west zones of Berlin, a very interesting experience. Perhaps three or four cars went down that street while we walked the mile to the gate. Those cars were stopped, and the drivers and passengers put through a most careful and searching inquisition by the east German police. Even the few people who were on bicycles were stopped and were interrogated. But apparently, with the irrationality which often distinguishes totalitarian regimes, no one had suggested to them that they should ask questions of pedestrians.

So when my wife and I walked past the Soviet war memorial and through the Brandenburg gate, all that happened was that some rather puzzled and wondering glances were thrown in our direction by the armed German police. Nothing more was done. It was a most unpleasant sensation, however, to walk through the Brandenburg gate with these armed gentlemen behind us, wondering just what was going to happen.

We went through the gate to the Unter den Linden. We went into various establishments. We went there to find out what we could, and our first experience of what it is like to be in a police state occurred when we were standing in front of Humboldt University on the Unter den Linden. My wife was translating for me the notice on the board outside the university when I observed that a jeep had drawn up alongside the curb and a very unpleasant, young-looking man in uniform was gazing at us carefully and very searchingly. My wife went on translating. Out of the corner of my mouth I murmured, "The cops are here." She murmured back, "I know", then she took a deep breath, twirled around and stepped across the sidewalk in front of this man and asked him if we could go into the building, not having any idea what the building was.

Wherever we went we were confronted with that. We experienced the unpleasant sensation that there was always a man in uniform, someone watching us very carefully, and a most unpleasant experience it is. We had it even in a restaurant. It was a very eerie experience. It was a very good restaurant, good meals, not too expensive, crowded—and almost dead silence prevailed. It was a most unnerving and eerie experience to sit in a restaurant and hear only the occasional clatter of tools, and perhaps a murmured request for the salt. There was no conversation.

We went into the Karl Marx museum dedicated to that communist worthy. It was a very disheartening experience for a socialist, I may say, to see men, whose lives were devoted to a critical analysis of human society and, whether we agree with their methods or not, to the introduction of a better form of society, to see such people made into the objects of really idolatrous veneration. It was to me most repugnant and most unpleasant. In east Berlin there are obvious signs, to the most superficial observer, of a very unpleasant and evil state of oppression.

One can readily understand why those people in east Berlin in June of 1953 took their lives in their hands, as is set forth in this pamphlet that we got in west Berlin. There are pictures here of young men throwing brickbats at tanks, pictures of communists fleeing to the west sector. One can readily understand that after being in east Berlin. It was a very unpleasant experience, and certainly no one in his right senses would want to see such regimes spread their influence any further throughout the world.

But, Mr. Speaker, I had a question asked me repeatedly by Germans, both in Berlin and in other parts of West Germany. "What is your alternative to coming to some sort of terms with these people, short of war?" That question was asked of me repeatedly. The question is one I ask tonight. It is a question I want to ask the Secretary of State for External Affairs (Mr. Pearson); because if, as we were told the other day, the Canadian government is committed to wholehearted support of the view of the German people that German reunification must be the foundation of all policy with regard to Germany, then I have this question to ask. How do we propose, without war, to rescue those 18 million people from the communist regime which is now oppressing them, unless we are prepared to sit down and negotiate?

There is something intellectually dishonest in pretending or even implying that there may be some third alternative to negotiation or war; that there may be some way in which we can avoid having to negotiate with these people and thus remain on good terms with our United States friends, and at the same time avoid war and remain on good terms with our common sense and reason; but I suggest to you, Mr. Speaker, there is no third alternative. We have only two prospects before us.

How do we propose to go about dealing with this great danger, this unpleasant situation? We propose to rearm a part of Germany in the face of widespread and growing dismay among the German people, and in the face of the often expressed fears of the Russians which, the Secretary of State for External Affairs admitted the other day, are understandable if possibly unreasonable fears.

What has been presented for approval in this house? When I was preparing notes for my speech, Mr. Speaker, I took occasion to check over some of the words of our Secretary of State for External Affairs, and I came to the conclusion that for one who formerly had at least some pretensions to being an historian, there were some remarkably shaky pieces of history in his argumentation. I was very interested tonight to note that the Ottawa *Citizen* is of the same opinion, and feels that poor history has had very rough handling at the hands of the Canadian parliament and no more rough handling than at the hands of the Secretary of State for External Affairs.

As proof of the reckless and characteristic intransigence of our communist antagonists, we were told on Thursday last that the Berlin blockade was an example of the senseless, dangerous attitude of these people, and evidence of the folly of hoping to come to terms with them. I am quite prepared to agree that it was a senseless and dangerous procedure on the part of the Soviet authorities, but I do suggest that anyone wishing to present an historically true picture of the situation would have been obliged to mention the fact that that move, that senseless, dangerous move, wicked if you like, the blockade of Berlin was the direct result of an antecedent event. That event had been, of course, the expressed intention of the western powers to integrate the three western zones of Germany into one and to give it at least semi-sovereign status.

I suggest to you, Mr. Speaker, that it is indispensable to anyone who professes to present an historical review of circumstances to mention the whole chain of events. I am not arguing the merits or the demerits of the action taken at that time, but I do emphasize that one was the direct result of the other. It is dangerous folly for us to take actions of the communists that we dislike, examine them in isolation and overlook the antecedent events that led up to those actions.

We are told also that the Berlin conference of last year proved that an honourable and acceptable basis for agreement on German unity did not exist. I myself, Mr. Speaker, of course would hesitate to question the infallibility of our Secretary of State for External Affairs, but I would remind the house that a great many observers of the foreign scene of almost such stature came to a different conclusion. I would place on the record again the comments made in the London *Observer*, which is usually considered to be a fairly authoritative and objective journal, certainly not one that is tinged with communism or socialism. Speaking of the Berlin conference Sebastian Haffner, a very eminent observer, had this to say:

> It would be rash for anyone to claim positively at this stage that Mr. Molotov's plan provides an acceptable form of that general "Locarno" or "mutual security" idea in Europe for which many western statesmen, from Sir Winston Churchill to Dr. Konrad Adenauer, the West German chancellor, have been groping during the last year, and which is indispensable—as has come to be widely recognized—if there is to be a general pacification of Europe. It would however be rasher still to deny

the possibility that something on these lines might be developed from a patient and serious exploration of Mr. Molotov's proposal.

The eagerness with which the three western ministers in Berlin tried to sweep it off the table without consideration has been rather terrifying. It is undoubtedly one of the more intriguing proposals which have turned up since the war, and it should be the subject of careful study and diplomatic exchange, not only between the powers which were disputants at Berlin but among all interested European governments. It would be a great pity if the hastily contrived conference speeches and press comments of these hectic weeks were to be considered the last word on it.

Unfortunately that great pity came to pass. We all know that our Secretary of State for External Affairs occupies an eminent position in the world, but he has not hesitated to follow the rather rash course deplored by Sebastian Haffner. Just what did we do at Berlin? The suggestion is made that it was only the Soviet union who, shall we say, behaved in an intransigent manner. Just what proposal did we put to them? In essence the proposal was that the Russians should withdraw from East Germany, that they should agree to the unification of Germany on a basis which they and everyone else know meant adherence of that united Germany to the western bloc, and moreover there was to be an armed Germany.

Regardless altogether of our views of the communist world, regardless of our views of the Soviet regime, will anyone make the suggestion that that was a proposal we could reasonably expect them to accept? I could quote a great many competent non-communist observers who have suggested that Sir Anthony Eden's statements at that time were at least a little disingenuous, particularly when he suggested that the west was so generous that it did not mind to which bloc the newly united Germany would adhere. I suggest that if he did not mind to which bloc they adhered he had no business speaking for us. I suggest moreover that he knew perfectly well that if Germany were united because the western powers were able to bully or cajole the Soviet union into moving out of East Germany, naturally because of gratitude and self-interest they would move solidly into the western bloc. Let us face that fact frankly.

It has been pretended that it was a reasonable proposition. The fact that the Russian counter-proposal also contained some unacceptable jokers and some dishonesties, which it did, is no excuse whatever for pretending that our proposals were reasonable ones offered in the expectation that they would be accepted. I think we have the right to expect perhaps a more intelligent and adult conduct of our affairs in the face of this very dangerous and cunning adversary.

[Mr. Cameron (Nanaimo).]

My colleague the hon. member for Mackenzie (Mr. Nicholson) made reference to the latest Soviet note. I think it is rather significant that the Secretary of State for External Affairs did not see fit to mention that the other day in his historical review. One might have thought he would have considered it relevant to this discussion. Whether it be good or bad, or acceptable or unacceptable, one can only presume that it is to be given the same unintelligent and cavalier treatment given to former suggestions.

The Secretary of State for External Affairs suggested reasons why the Russians refused free elections last year. I think he is quite right in this. What happened in West Berlin was that the communists received only some 2·7 per cent of the vote. I was amazed that they got even that. But there was another conclusion to be drawn from this. While it is quite true, as the Secretary of State for External Affairs says, that the communists must have shuddered at the result of this, I suggest that Dr. Adenauer also must have had a few tremors because his party also went down to defeat. There was an indication in that West Berlin election that a reunited Germany meant the end of the Adenauer regime. I have no doubt that Willi Pieck would shudder. I expect that Konrad Adenauer had a shake to himself. So much for what I have termed the rather dubious historical foundation for the case put up by the Secretary of State for External Affairs.

I should like to say a word or two about the manner in which this case was presented. I wish I could agree with those who have complimented the Secretary of State for External Affairs, but I really cannot. There was a time when responsible statesmen in dealing with foreign nations with which their country was presumably at peace observed a careful reserve and decorum in their statements. It was considered that until war broke out abuse was not very helpful, that it might indeed place obstacles in the way of reaching conclusions. Naturally the minute war broke out the lid was off.

I was somewhat dismayed, to be quite frank, at the tone of the statement of the Secretary of State for External Affairs. I had the feeling that instead of it being an adult, sophisticated, cold analysis of a dangerous situation which we had the right to expect, it was, on the other hand, a rather embarrassing combination of, what shall I say, hillbilly self-righteousness and disregard of the real actualities. It was an oversimplified way of presenting a very complex situation.

Let me quote what he said, as reported on page 362 of *Hansard* of January 20:

> The communist dictators have already dragooned hundreds of millions of men into highly centralized empires which deny the dignity and worth of the individual except as a creature of the state.

That may be factually true, although if by that he means that those hundreds of millions are struggling at the leash and waiting for the moment when we can release them, then I suggest it is a most dangerous delusion indeed. I would commend to the Secretary of State for External Affairs the words of a very eminent statesman spoken only last month in the city of Boston, which I should like to quote. They were as follows:

> An arrogant Pharisaism and smug satisfaction with one's own superior righteousness, in a person or in a nation, are not only unamiable qualities, they are not conducive to clear political judgment. He whose humility and moral sensitivity is least highly developed, is most likely to confuse principle with question of fact or expediency, and to make an easy subconscious identification of his own viewpoint with the cause of right.
>
> Furthermore, self-righteousness in international affairs is likely to lead to rigidity of thought and intolerance of other views. This often prevents a wise understanding of complex and changing situations; and tends to make diplomacy captive and inflexible.

The author of those admirable words—and I am sure, Mr. Speaker, that you will agree with me that they were wise and admirable words—was a gentleman by the name of Lester B. Pearson. But of course the Secretary of State for External Affairs was not addressing the Canadian House of Commons; he was addressing the assembly of the national council of the churches of Christ in the United States of America. Perhaps more important still, he was addressing them in the city of Boston, which has a well-deserved reputation of being allergic, shall I say, to the more illiterate forms of expression; of being allergic to oversimplifications and crudities of every sort.

I think it is to be regretted that the Secretary of State for External Affairs has not considered the members of this House of Commons to be as worthy of that carefully considered and, if I may say so quite frankly, profound thinking that is expressed here, and instead saw fit to give us a sort of superman comic strip, a simplified and highly coloured statement about a very complex situation.

Mr. Pearson: What are we getting now?

Mr. Cameron (Nanaimo): Not very highly coloured. I would suggest that it is not only discourteous to this house but it is also very dangerous to encourage the attitude that there is a simple, clear-cut answer to these difficult and complex problems, and that there is a simple, clear-cut analysis of conditions and events in many parts of the world. To suggest that, I believe, is merely to ask for trouble.

There are some questions I think the Secretary of State for External Affairs should answer before he can satisfy a great many people in Canada. He told us first of all that 12 divisions or approximately 500,000 men mobilized into ground troops and with an air force in Germany are necessary for our safety against the threat of communist aggression. Here is the question I wish to ask. Is the minister seriously presenting to this house the suggestion that these 12 divisions will make any material difference in our strength vis-à-vis the enormous concentration of troops which he himself referred to the other day on the floor of this house? Is he seriously suggesting that 12 divisions of German troops are going to count against some 250 communist divisions plus 135 divisions easily mobilizable, according to a military expert in the New York *Times*? Is he suggesting that it is a serious matter of defence, and that is why we have to arm the Germans? I doubt very much whether the minister seriously contends that. If he does there is nothing more to be said. We shall have to leave him with his clay pipe and bowl—

Mr. Pearson: If the hon. gentleman would like me to do so I shall answer him now by saying that I never at any time in my speech made any such suggestion.

Mr. Cameron (Nanaimo): Then that clarifies the matter admirably, and the whole case based on the fact that the rearmament of West Germany is an essential part of western defence falls to the ground.

Mr. Pearson: Your whole case falls to the ground.

Mr. Cameron (Nanaimo): Apparently the minister is not sure whether he takes that position or not, but I am going to suggest to him that if he is not prepared to clarify that situation in the minds of the Canadian people —and he has certainly given the impression to this house and to the Canadian people that these 12 German divisions are an important factor in our defence—then he had better tell us what the real goals are. Is it to be 20 divisions, 30, 50 or 100 divisions? Is it going to include thermonuclear weapons?

The minister also tells us that it is safe to rearm West Germany because we have devised means of control. But almost in the same breath he tells us that we have no option about it, because the Germans are a proud people and will insist on rearmament anyway. I would ask the minister by what process of reasoning he considers it will be easier to control a rearmed West Germany

than a Germany which he says we cannot control now? It simply does not make sense.

He told us that the Canadian government fully support the German people in their insistence that reunification must remain an essential goal of German policy. But he must tell us how he proposes to bring that about short of war, unless it is by negotiation. I would suggest too, Mr. Speaker, that one cannot negotiate, even from strength—if by negotiation from strength we mean something more than the issuing of ultimatums—we cannot negotiate from strength unless we have something the other people want and we are prepared to give them in exchange for something they have which we want. That is the essence of negotiation.

In addition, I suggest there is only one thing the Russians want in exchange for reunification, and that is a disarmed and neutralized Germany. Now, I am told—

An hon. Member: Would the hon. member permit a question?

Mr. Cameron (Nanaimo): No. I had to listen to you the other day and it was as painful for me as this is for you.

Mr. Pearson: It was not as long.

Mr. Cameron (Nanaimo): We are told by the Secretary of State for External Affairs that we cannot do this because it would create a vacuum in Europe. Quite apart from my objections as a purist to this silly journalistic trick of using terms in the political field which can apply only in the physical laboratory, I would say that if there is a vacuum in Europe right now into which soviet Russia is preparing to rush, why did they not rush in before? Presumably something stopped them. Something must have stopped them in 1945 when, as General Gruenther told us not long ago, they had a marked superiority over the west with regard to conventional weapons. Something stopped them, and I would suggest the thing that stopped them is the same thing that stops them now. Is there any reason at all why a reunified, neutralized Germany cannot be the object of guarantees which will place the same problem before the Russians that was placed before them at the end of the war, namely that the risk of invading western Europe is so great that it means the starting of a third world war with thermonuclear weapons? I have said nothing so far—

Some hon. Members: Hear, hear.

Mr. Cameron (Nanaimo): I do wish the people of Canada could have heard that, because they are going to be awfully interested in the position the Liberal and Conservative parties have taken on this issue, very interested indeed. They will be interested to find that anyone's remarks in a debate of this sort were presumed to be a suitable subject for levity. To me it is not surprising, because people who have abandoned their position of intellectual integrity are, of course, capable of anything.

Mr. Pearson: What about your leader?

Mr. Cameron (Nanaimo): This year I visited Germany. I was fortunate in that I had perhaps better opportunities than many to find out what the people were thinking, because I was introduced to a very large circle of family connections by my wife and was able to obtain points of view that perhaps would not have been given to the ordinary foreigner. For example, I spoke to Mr. Artur Bratu, who is now superintendent of education in the state of Hesse. Mr. Bratu is a Jew who had to leave Germany during the Hitler regime but went back afterwards because he is also a German, and he considered he had a job to do in Germany.

Mr. Bratu was dismayed and distressed at the intentions of the western world. He said something of this sort to me. "We are now beginning to raise a new generation of young Germans with their faces turned against militarism. I cannot guarantee what is going to happen to these young men if you insist on putting them into an army officered and N.C.O.'d by former nazis."

Mr. Pearson: Rubbish.

Mr. Cameron (Nanaimo): That is the only answer you have. I suggest it is very unwise for anyone in this chamber to be scornful of people like Mr. Bratu, who went back and put his head in the noose again because he felt it was his duty as a German to do so.

I had a talk with the member for Darmstadt in the Bundestag, Mr. Ludwig Metzger, who, like many of his colleagues, spent many years in and out of prison camps during the Hitler regime. He also expressed profound distress and uneasiness over the proposals now being made. I met another Jew, Heinz Putzrath, in Bonn, who had to leave Germany and go to England during the Hitler regime, where he was employed by the British government. He also went back to help build a new democratic Germany. He told me this. He said he himself was not so much concerned about the ex-nazis who were getting back into power—as they are doing in Bonn—as he was about the conditions that have been recreated in Germany by the western powers for the production of a new group of nazis. He said, "I find it difficult to have much confidence in a regime in which Alfred Krupp is again the dominant economic factor.

Then when it is again sought to add to Mr. Krupp a military arm, I am terrified at what may take place." One may well believe that he would be terrified. He was a Jew who had to get out. Most of his family died.

I had a long talk with Mr. Ollenhauer, leader of the social democrat party, who placed before me many of the arguments I have attempted to place before the house tonight. Mr. Ollenhauer also has an unimpeachable record of activity against the nazi regime, as have many of his colleagues in the social democrat party, such as people like Peter Blachstein who spent a year in Hitler's concentration camps and then escaped abroad; and Jacobi Werner, a man who spent seven years in Hitler's concentration camps. Now he is in the German Bundestag and is desperately afraid of the rearming of West Germany.

I could go on with an endless list of these people. Moreover, I suggest to you, Mr. Speaker, that these are the people upon whom we have to rely if there is to be a democratic Germany arise, and that these are the people who tell us with one voice that we are insane to proceed with this project of rearming Germany at this time.

I do not know whether the clue to this situation is to be found in the statement with regard to United States policy which was made by our Secretary of State for External Affairs the other day, when he suggested that none of the alternatives was suitable or acceptable, particularly in the light of United States policy. Is that the milk in the coconut? Is that the real reason? Does that explain this determination to carry on in the face of a poor case in logic or, in fact, no case at all?

If so, Mr. Speaker, I can only express regret that our Secretary of State for External Affairs and our government did not follow the example of Pierre Mendes-France, the premier of France, who, when he laid the proposition before the French assembly, did not pretend it was a good thing but quite frankly admitted it was a bad thing and told them in effect, "This is it; this is the price of United States support; we have no option". If that is the situation, then we should be told frankly that it is.

I am not sure, Mr. Speaker—and neither is anyone else in this house—what will be the results of this move. I myself doubt that it will lead to war. I do not think so. I think the overriding danger of thermonuclear war will prevent that outcome. However, I think it may have disastrous effects for the very people in Germany who are our friends and allies, that it will place obstacles in the way of reunification of Germany in the foreseeable future and, perhaps even more important still, will be another obstacle in the way of lessening tensions in the world something which surely every sane and intelligent person is hoping for today. Surely we all realize that it must be the goal of all our foreign policy and the goal of all international relations today to effect some sort of slackening of world tension so the human race can get about its overriding business of improving life for mankind on the face of the earth.

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, I hope the hon. member for Nanaimo (Mr. Cameron) who has just spoken will not take it amiss if I say that the house, after so much brilliance, will consider my efforts to be pedestrian indeed.

I think every member who has spoken in this debate has referred to the importance of the question we are discussing and the difficulty of making a decision. The importance of the question before us is indicated by the seriousness with which almost every hon. member has approached it. I too feel that we are debating an extremely important question, and I hope that nothing I shall say will do anything to lower the high standard of the debate.

I wish to say at once that I am voting for the resolution. I am voting for it for reasons already stated by my leader, and perhaps for reasons which I shall put forward before I finish. I am also voting for the resolution because no acceptable alternative has been put forward by those who are opposing it. I say "acceptable alternative", although I think I could say equally well that no alternative has been proposed. I wish to say quite frankly that I have no alternative either.

The reasons for the ratification have been stated by a number of hon. members, including my leader. I shall try to avoid taking up the time of the house by repeating what they have already said. I shall, however, take a little time to try to analyse the arguments put forward by those who are opposed to ratification. I am in a most peculiar position this evening, Mr. Speaker, because my opposition, instead of being in front of me, to the left of me or to the right of me, is behind me. I think it is generally accepted that a person can do his best fighting when he can see the whites of the eyes of his opposition rather than when he feels their breath on the back of his neck.

I said I was going to analyse some of the arguments put forward by those who are opposing ratification of the agreements. What are those arguments? From a careful reading of the speeches that have been made I think they are as follows: First, that the arming

of Germany would widen the gulf between the democratic nations and the Soviet bloc. As one member speaking in opposition to the resolution said, it would push the division between the two camps "beyond the point of no return." Second, that the German people are not to be trusted; that Germany is still the Germany that twice in our lifetime has engulfed the world in war; that the Germany we would make a partner is the same Germany that was responsible for Dachau, Belsen and Buchenwald; or put more briefly, that the German people are not morally worthy to associate with the rest of us. Third, that the proposal to bring Germany into NATO—which we accept and which, of course involves the rearming of Germany—is premature and that another attempt should be made to negotiate with the Soviet union on the reunification of Germany. Fourth, that there is no enthusiasm in Canada for the ratification of the agreement.

I think these are the main arguments put forward by those who are opposing the resolution. I shall try to deal with the various points as they appear to me. I assure you, Mr. Speaker, that I am not approaching this matter lightly. I have gone over the various points made time and time again.

Let me deal with the first reason put forward for opposing ratification of these agreements. It was that the arming of Germany now would widen the gulf between the democratic nations and the Soviet bloc. When making this argument the speaker agreed that the west would have to negotiate from strength. If that is the case, what the speaker was really saying was that we must negotiate from strength but not from too much strength, that if the west becomes too strong the Soviet union will get cross with us and perhaps start something. The only logical conclusion I can draw from this position is that in the opinion of the speaker the west is strong enough now, and that any further addition to our strength must be opposed because it is likely to offend the Soviet bloc.

I cannot see the question in that way. I am quite satisfied that the only argument the people in the Kremlin understand is strength, and that the stronger we are the more likelihood there is of getting them to negotiate. Last year there were for the first time, I believe, in the history of the United Nations assembly, unanimous decisions on two issues. One was the resolution proposed by the United States with respect to atoms for peace, and the other was the resolution on disarmament initiated by the Canadian delegation. At the time the discussion and vote on the disarmament resolution were taking place, there were conferences in London and Paris in an effort to bring about the agreements that we have been discussing for the last few days. It seems to me that if we show that we are strong enough the Soviet union, instead of refusing to negotiate, will be more reasonable and negotiate with us.

I want the house to understand that I am in favour of negotiation. The unanimous votes in the United Nations assembly this year must have been a really cheering sight. I was at the assembly in 1947 for a while as parliamentary adviser to the Canadian delegation, and I can assure hon. members that there was nothing more depressing than the fact that on every issue that arose the Soviet union was on one side and the western powers were on the other. Surely it must have been a heartening experience for those who were privileged to be at the last meeting to see unanimity achieved at least on those two points.

I come now to the second argument, that the German people are not to be trusted, that they are still the Germans who were responsible for Hitler's atrocities and consequently they are not fit to associate with us. That is an argument I cannot accept. I agree with what was said by the hon. member for Vancouver South (Mr. Philpott) the other evening, that this is the master race doctrine in reverse. We may not be setting ourselves up as the master race, but we are certainly denouncing the Germans as a race of criminals.

I was—I hope you will excuse the word, but it is the kind of proletarian word you would expect from me—flabbergasted tonight to hear the statement that the Germans must wait until they have purged themselves of their national brutalities. If that is not setting ourselves up as something quite superior, I do not know what it is. But in any case I reject the idea of a criminal Germany with all the force of my being. I gave some years of my life to defending another people from the charge that they could not be trusted because of their race, and at this date I am not going to replace the Japanese with the Germans.

Let us admit that the Germans carry a very large share of the responsibility for starting two world wars. I have been walking around in this vale of tears for quite a long time—perhaps some people would say too long—and I remember some of the discussions that took place between the two world wars. The hon. member for Vancouver South will know quite well that most people with whom he and I associated at that time took the position that the Versailles treaty was responsible for Hitler, and that was the reason advanced by

many responsible people as to why Canada should not enter the second world war.

I think in the last few days we have overlooked altogether the part that Russia played in bringing about the second world war. Does anyone in this chamber tonight believe that if Stalin had refused to make an agreement with Hitler in 1939, Hitler would have marched on Poland? Of course he would not. If we are going to begin to apportion blame, if we are going to name criminal peoples, let us include them all.

However, let us agree that Germany must accept a very large share of the responsibility for starting two world wars. They have suffered for what they have done. I think I could say they have been punished for it. But it seems to me that if we want to give them an incentive for starting another world war the best way to do it is to ostracize them, to say to them that they are not fit to associate with other people, that they must be kept as a second-class nation. Let me repeat; if we want the Germans to start another world war, that, in my opinion, is the quickest way to get it started.

It also seems to me that those who are advocating such a course are overlooking the principles of modern psychology. In dealing with individuals guilty of crimes we have found that not only in their interests but also in the interests of society we must rehabilitate them as quickly as possible and bring them into association with other people. A sure way to have an individual guilty of an offence against society repeat that offence or another of its kind is to keep continually reminding him that he is different from other people because he once committed an offence.

I believe the same principle applies to peoples and nations. I think it is wrong to make every German responsible for the atrocities of the nazis. We know that hundreds of thousands of Germans refused to accept nazism. We know that thousands of them died because they refused. Thousands more rotted in concentration camps because they would not bow the knee to nazism.

As a matter of fact, a whole lot of people share the guilt for the rise of Hitler. I am going to read statements made by two prominent people, not communists, not socialists, not even Liberals, I believe. One of them was a former leader of the opposition in this house, the late Dr. Manion. Speaking in this chamber on the 8th of September, 1939, before war was declared by Canada, he said, as found at page 14 of *Hansard*:

> One point I wish to make very clear is that to my mind we have no quarrel with the German people as a people. For generations they have given generously to the world in science and art and literature.

We have well over half a million citizens of German descent in this country, and they are amongst our very best citizens.

And mark this one:

> But, sir, Germany is controlled at the present time by an unscrupulous egoist. It is true he served Germany well, and had he stopped at a certain point he might well have gone down into history as a great German hero. He raised the German people from discouragement, gave them back their pride after a just but humiliating defeat. Had he stopped there he would have been accepted perhaps by all the world as a German hero.

That was after the Nuremberg decrees. That was after people all over Germany had been murdered by Hitler's minions. Now, Hitler could not have developed into the menace he became without assistance from other quarters. Let me read you another excerpt. The British people made great attempts to come to terms with Hitler. They sent an ambassador to Hitler in 1938, a man by the name of Sir Nevile Henderson, and his task was to bring about a working agreement between the United Kingdom and Germany. He failed. He wrote a book after he returned from Germany, when the second world war began, entitled "Failure of a Mission". This is a brief quotation from that book:

> Nor are all dictatorships even if prolonged reprehensible. One cannot just because he is a dictator refuse to admit the great services which Signor Mussolini has rendered to Italy; nor would the world have failed to acclaim Hitler as a great German if he had known when and where to stop; if, for instance, after Munich and the Nuremberg decrees for the Jews.

It was an attitude like that of people who thought they were saving their possessions that gave Hitler his opportunity to nearly destroy the world. Now, let us not make other mistakes of that kind. What has taken place in West Germany in the development of democratic institutions since 1945 is, in my opinion, absolute proof that the people of West Germany, by a large majority, want to adhere to the democratic way of doing things. If we want to help them in that resolve we should welcome their co-operation and not spurn it. My own position is that West Germany should now be taken into the western comity of nations as a full partner, with all the privileges, responsibilities and obligations of full partnership.

Those opposing this resolution say they are not opposed to Germany regaining her sovereignty, or to bringing Germany into NATO, but only to the rearming of Germany. Now, I do not think it is possible to do the first two without doing the last. If we give Germany her sovereignty, then Germany is free to do whatever she likes. And I cannot imagine—and if what my hon. friends behind me

say is true, they cannot imagine it either—a Germany that would be free to be a Germany that would not be armed.

I believe it has been said on many occasions that Germany will arm anyway. The question, I think, for us is, on whose side will she be after she is armed? Of necessity, in the kind of world in which we are living, she will have to find allies. Will she be absorbed into the iron curtain bloc, or will she be co-operating with the countries of the west who have helped her to organize her democratic institutions? That is the important question I think for us here in Canada, and for the whole democratic world.

Now for the third argument against ratification, that the proposal to bring Germany into NATO, which involves the rearming of Germany, is premature; that we should first make another attempt to negotiate with the Soviet union for the reunification of Germany. Let us see what such an attempt would involve. I am all for agreements through negotiation, if we can get what the trade unionists call negotiation in good faith. But I think it should be noted that Russia's interest in negotiation for the reunification of Germany has increased in direct proportion to the approach of the time when Germany would be actually brought into NATO.

However, it may be noted that the price the Soviet union demands to enter into such negotiation is that the proposal for associating Germany with the western powers should be dropped. I think that is important. In addition to that, as far as I know Russia has never agreed in clear-cut terms to free elections in Germany. But if the western powers would agree to the Soviet union conditions for negotiation on reunification—that is the throwing into discard of all attempts to bring Germany into NATO—have we any assurance that when that was done the Soviet union would negotiate in good faith? The result, to judge by our past experience, would be that the western powers, once they had done what the Russians wanted and once free elections were refused, would be thrown into confusion, and the Soviet union would be laughing up their sleeves at the ease with which they can confuse us.

The great obstacle to negotiation with the Soviet union is that the communists never negotiate or co-operate with others in good faith. We in the C.C.F. ought to know that. In the early years of our movement numerous attempts were made by the communists for joint action on community or national projects, for a united front, for co-operation on this and that. But we always found that the communists would never stick to their agreement. Even when they called meetings to denounce nazism and fascism, as was the case before the Stalin-Hitler pact, and brought well-intentioned groups from various walks of life to take part in such meetings, they always injected a resolution or a speaker or something else that was not provided for in the arrangements, all designed to give them control of the situation. The result has been—I may say the result has been good so far as we are concerned—that in the last 15 years, ever since the beginning of world war II, the C.C.F. has refused to associate with them in any way, at any time, in any place, on any issue.

The experience of the trade union movement has been the same. Not so many years ago I heard prominent officials in the two large labour congresses say they would never allow a man's politics to determine his right to belong to a trade union, or to be an officer of a trade union. But because of the disruptive activities of the communists in the trade union movement these congresses had to change that resolve. They had to throw the communists out. That was the only alternative to having the unions torn to pieces. It is no different in international affairs.

I remember many years ago reading a book by Bruce Lockhart, who was in the Soviet union at the time of the revolution. He was there as a very young man, in the British foreign office, and I think he spent some time in jail there. In his book "British Agent" he tells the story about Karl Radek, one of the old bolsheviks preparing to go to a conference with the mensheviks. It must have been early in the revolution, because the mensheviks were liquidated shortly after.

Mr. Radek, preparing his speeches in reply to the decision taken by the mensheviks, prepared one speech in case they took position A. He prepared another speech in case they took position B. He put the argument for position A in one of his coat pockets, and he put the argument for position B in the other. He was in a great flutter for a while after reaching the conference room because he had forgotten in which pocket was which speech.

The tactics of the communist party—whether in Vancouver, Regina, Toronto or Moscow—have not changed in the slightest degree since Radek's time.

I believe in negotiation. To negotiate on every problem that cannot be settled otherwise is a part of my philosophy of life. But in negotiation we should be very careful not to give away an advantage that we now have until we are pretty sure that we are getting value in return. In other words, in any negotiations on the unification of Germany we should be sure that the soviets will agree

to free elections in Germany. They have never, let me say again, to my knowledge made a categorical statement that they will agree to free elections under United Nations supervision.

Now for my fourth and last point, having to do with the argument that we should oppose this motion because there is no enthusiasm in Canada for the ratification of the agreements. I am going to overlook the fact that I think "enthusiasm" is the wrong word, but who am I to take issue on the meaning of a word with my colleagues who are university graduates? I quite agree there is no enthusiasm for ratification of these agreements. I think it could be equally well said that there was no enthusiasm for the North Atlantic treaty when it was ratified, or for entering the second world war, for that matter. But there was something else. There was determination, and that is the word we want here. We had on those occasions something to preserve, our freedom, our democratic institutions. What was happening in the world was endangering our freedom; there was a job to be done and, much as we disliked it, we did our part, if not with enthusiasm, with steady determination. We are in the same position today. If there is not enthusiasm for the ratification of the agreements, there is certainly no enthusiasm on the part of the people opposing them; that is, if you leave the labour progressive party and its fellow travellers out of the picture.

Some hon. members have referred to the delegations that interviewed them, when those people were in Ottawa a few weeks ago. None of them came to see me but I have had some letters. I have received 34 letters, 8 telegrams and 6 petitions such as those the Minister of National Health and Welfare (Mr. Martin) mentioned in the directive, issued by the labour progressive party. Nearly all these letters, telegrams, and communications came from communist sources. There are two or three letters the writers of which I have not been able to classify. Outside of these I have not received a single communication from a responsible individual or organization, either trade union, board of trade, veterans' organization or any other organization opposing the ratification of the agreements.

Speaking for myself, as I said before I am going to vote for the resolution before us because I believe it is a step to prevent war rather than to make war. Socialist parties in the NATO countries in Europe, which are much closer to Germany than we are and who have in the past felt the full effects of German aggression, have already ratified these agreements. They have done so because they felt the only way to prevent aggression was to be strong.

Everyone regrets the necessity of rearming Germany. I can say with equal truth that everyone regrets the necessity of any armaments, that is anyone with any sense. But as I said before, Germany will be rearmed in any case. The question then is, on whose side is she going to be? I want her to be on our side; consequently, voting on this issue as a Canadian and as one who is anxious above everything else to support every move toward world peace, I am going to support the resolution.

Hon. W. Earl Rowe (Acting Leader of the Opposition): Mr. Speaker, I have listened with interest to the hon. member for Vancouver-Kingsway (Mr. MacInnis), and it was very encouraging to hear the soundness of his logic. This is an issue that is of solemn concern to everyone in this house and to thousands and thousands throughout the country who are stirred at times, as has been so well said, by emotion and sentiments born of days that are gone. One can look back over 40 years of turmoil in this country, filled with tragic realities of hot wars and cold wars and constant anxiety. These years have given us experience and education and I hope foresight enough to meet the future as stronger and more intelligent people, and better informed than we were before the first great war.

The dearth of information that was given to the house and the country prior to these international difficulties has been all too conspicuous. As a matter of fact, Mr. Speaker, as we were approaching the second world war it seemed to me we never did use the experience we had or the information that was available to us to face the realities as we should. I am not going to review past events because this is not the time, when we are dealing with this solemn issue.

There is not an hon. member here who was present at that time who does not understand what I mean. In 1937 we were told that there was no danger of war with Germany. We were told by our prime minister at that time, who had visited Germany and talked with Hitler, that there was no danger of war at all. Then in 1938, when great preparations might have been made in this country in close co-operation with the old land, we were still told there was not much danger. Steps could have been taken then, Mr. Speaker. They were not taken. And what a price we paid for neglecting to face reality!

However, Mr. Speaker, I am glad to find that since these years have passed and our experience has been ripened by the hard, cold and bitter penalties for neglect, you might say, we are no longer faced with political

fears at home which becloud the glaring and tragic realities abroad. We meet tonight, Mr. Speaker, and I am proud of the fact that the two historic parties in this dominion stand foursquare with their chins to the wind, as the saying is. Differences of class, race, creed, religion or party have not separated us in our determination, as the hon. member for Vancouver-Kingsway (Mr. MacInnis) has said, that if it is within our power we shall spend the last vestige of energy we have to avoid another awful war. We must as a parliament, as Canadians, lead the way. I do not mean lead the way in world affairs so much, but lead the way in this country. We dare not mislead.

Following the first great war it will be remembered that we were told we were going to have no more war, that the old league of nations was going to solve our troubles. Then after the second world war we were told that the United Nations would save us from any such recurrence. Then we embarked on the Atlantic community pact. After each in its turn seemed to be inadequate we were sure that we had found the answer to at least a greater degree of security in EDC, which I believe was signed in Paris in 1952.

The French premier, Mendes-France, called the EDC partners together in Brussels in August, 1954 and tried to get the agreement amended so as to make it more acceptable to the French parliament. Mendes-France failed in this and the French parliament refused to ratify that agreement, and it fell through for the time being.

Again we were happy to find that the traditional British leadership, which has so often been like a beacon light in the world's darkest hours, led the way to new hope. The Right Hon. Sir Anthony Eden offered to keep the British ground forces and the Royal Air Force in Europe for 44 years. That must have convinced France as well as all our other allies among the free peoples of the west that Great Britain was facing up to realities no matter what the cost might be. No one has intimated that any one country can stand alone as an independent vacuum in the heart of Europe.

I am endeavouring as best as I can not to take up the time of this house unnecessarily by repeating speeches which have been made already, some more from emotion than logic, and with little effect upon this issue. But I do think we should review the steps that were taken, and know exactly what is before this house.

I have mentioned EDC; I have mentioned its collapse; I have mentioned how the great British foreign secretary, Right Hon. Sir Anthony Eden, representing that greatest of all world statesmen today, Right Hon. Sir Winston Churchill, led the way as that country has done so often in the past. We had the London meeting at which a new Brussels treaty was agreed upon. Remember that we were not there. The parties to that treaty were France, the Benelux countries including Belgium, Luxembourg and the Netherlands, Great Britain, West Germany and Italy. This agreement which was signed in Paris on October 23 provided for the association of West Germany with Europe, making Great Britain a party to the arrangement and in fact settling West Germany's rearmament there and then.

The minister for external affairs made a very lucid speech on Thursday last. If some hon. members were not listening as closely as they should have been, if they read his speech again they will see that he explained that the sovereignty of West Germany was settled. We are not settling the sovereign rights of Germany tonight; we are not settling the rearming of Germany. We are deciding whether she shall be included in NATO. The aims and terms and safeguards of the agreement have been elaborately and sincerely expressed in this debate by the minister for external affairs and by the hon. member for Prince Albert (Mr. Diefenbaker), who made a splendid speech the other night on behalf of this party. The minister for external affairs presented a broad picture of the problem, and the hon. member for Prince Albert expressed our position most fluently.

We have made our choice as a party. We are going to support this resolution, confident that there is no other common-sense or available alternative at this time. In listening to the speeches made by my socialist friends to my left, the majority of whom appear to have made up their minds to vote against this resolution, I am at a loss to understand the basis of their cloudy and fantastic reasoning.

Let us suppose for a moment that my socialist friends had their way and West Germany's admission to NATO was refused. Stop and think what that would mean. In this matter as in many others they know they have no hope of having to assume responsibility. There are those of us who still hope to have responsibility in this country. I do not for one moment doubt their sincerity, but let us suppose again that their arguments are accepted and we are not going to allow West Germany to be included in NATO. What would be the obvious reality then?

West Germany is already admitted to the western European union. West Germany is

already recognized as a sovereign power. West Germany's right to arm is already established. Let us strip off the cloak of unreality from this solemn issue. Let us look at what it means. We are still one of the 14 member countries of NATO. Our responsibility for the defence of the North Atlantic community still stands unaltered by any such rejection as my hon. friends now suggest. It is not to be changed by that. You would have six nations of the North Atlantic community and the republic of West Germany in one pact, while under the new Brussels treaty all six except Germany would be members of NATO. Our responsibilities would be in no way lessened; they would be still clearly defined under NATO, and our influence would be embarrassingly impaired by such utter nonsense.

The members of the socialist party to my left have expressed keen concern about the rearming of Germany, to which agreement our country was not a party. They now propose to forfeit any right to fix the terms and conditions upon which that country shall proceed with the armament program already established. Stop and think of it. They are loud in their opposition and protest against the rearming, but they propose to relinquish the only opportunity we would have for any control, supervision or direction of how they would use those armaments. I have listened very carefully to the speeches during this debate, because lately with my new responsibilities I have sat in the house more diligently than has been my habit in the past.

Some hon. Members: Hear, hear.

Mr. Rowe: Do not applaud too much, because if I did not have to I would not endure you hon. members opposite as much as I already have. But as I said, I listened carefully to the strange doctrine vigorously expressed by socialist members during this debate, and I heard their loud protests about rearmament despite the fact that we have little alternative in this matter. They refuse to accept the efficacy of the controls and supervision included in this agreement, and when I hear that I wonder what is happening.

I am amazed and shocked at such folly in reasoning. I do not wish to question their sincerity for one moment, but I would not dare suggest that their reasoning should be accepted. When I hear of the visit of Mr. Attlee to this country I think I might be pardoned if I suggest to my socialist friends that they arrange another visit for the Hon. Mr. Bevan, who has taken a similar position in the United Kingdom, so that at least half or a majority of the socialist members in this house can take the journey across Canada with him.

Who would dare say that if West Germany were refused admittance to NATO she would venture to stand alone? I believe she would be compelled to face realities in the same manner as other nations in these days. There would be only one other choice for her, and that other choice could only be toward those who would like to see her refused admittance.

To my mind the question is quite clear-cut, and it worries me when I hear that some hon. members in this house indicate their intention to register a vote against this resolution. I do not intend to take up much of the time of the house, but I hope I have said as much in a short time as some hon. members with emotional speeches have said over a longer time.

But, Mr. Speaker, I would not feel I was doing my duty if I did not underline the danger involved in this step, without indulging in emotional rhetoric. There is little need for me to review these dangers, for I see before me men who have fought in two great wars. I have heard them make speeches that would move the coldest heart and the most stolid temperament in this house. It has not been my practice to seek the indulgence of this house in order to read articles or quote the views of others because I know it is not recognized by you, Mr. Speaker, as good parliamentary practice, and in that you have my full agreement. But this solemn issue far transcends party politics—

Mr. Pouliot: Mr. Speaker, ten o'clock.

Mr. Rowe: Very well, Mr. Speaker.

Some hon. Members: Go ahead.

Mr. Pouliot: No, the rule states ten o'clock.

Mr. Speaker: Order.

Mr. Harris: Mr. Speaker, may I appeal to the hon. member for Temiscouata (Mr. Pouliot). We expect that upon the conclusion of the remarks of the Acting Leader of the Opposition (Mr. Rowe) it might be possible for the Secretary of State for External Affairs (Mr. Pearson) to adjourn the debate so that he might conclude it tomorrow and we could then have the vote. I would hope that the hon. member for Temiscouata would be willing to accede to that request.

Mr. Rowe: Mr. Speaker, I have a keen respect for my old friend the hon. member for Temiscouata, and his agreement is very important. Since he is not prepared to agree I prefer to call it ten o'clock, and I shall conclude my remarks in a very short time tomorrow.

Some hon. Members: Go on.

Mr. Speaker: Has the hon. gentleman unanimous consent to continue his remarks?

Some hon. Members: Agreed.

Mr. Speaker: I take it the hon. gentleman has unanimous consent?

Mr. Pouliot: By the courtesy—

An hon. Member: Sit down.

Mr. Pouliot: You say that? I will not be bullied by any Tory in this house. I object.

Mr. Speaker: May I now ask what is the wish of hon. members?

Mr. Harris: I am sure, Mr. Speaker, that when you asked if it was agreed that we might proceed there were no dissenting voices, and I suggest that we proceed.

Mr. Speaker: Is it the wish of hon. members that the Acting Leader of the Opposition may now continue?

Some hon. Members: Agreed.

Mr. Rowe: Mr. Speaker, I am not sure I have full unanimity, but I am positive that I have a majority. As I said, I feel this issue far transcends party politics, and in the regrettable absence of the Leader of the Opposition (Mr. Drew) for whom I am acting as substitute, I would like to read a brief extract expressing his views, which was written before this issue came before the house. The article was written on October 16, 1954, and concerned the question of admitting Germany into the western community of free nations. It outlines his views on this issue as follows:

> When I returned to Paris from Berlin the Arc de Triomphe reminded me very vividly that Wellington and his associates were confronted with somewhat the same problem after the Napoleonic wars nearly 140 years ago.
>
> Wellington reduced the problem to a very simple proposition. He said that if they were prepared to remove from France every Frenchman and resettle the country with other people, then this idea might make sense. But if they believed that France was going to be populated by French people, then their purpose must be to try to bring France into full fellowship with the other nations of Europe. His views prevailed and as a result of that decision one of the greatest historic friendships of all history was established between France and Britain after centuries of almost continuous war.

There are always such developments in the history of human progress. Hope springs eternal in the human breast, and all humanity must overcome emotional prejudices and bitter traditional sentiment born of days that are gone.

We can face the future with justifiable hope if we have a steadfast faith in the co-operative efforts of all who wish to be free. We must stand up and be counted. We must not turn back. We must face the issue. There is nothing so fearful as fear. But under the eternal vigilance and co-operation of free men of the western world, I do not believe we need to be afraid. If we are strong enough, honest enough and bold enough to meet as we should these respective issues as they arise, I believe not only can we avoid a third world war but can achieve the lasting hope of all, namely that we may have peace in our time.

Mr. Speaker: Is it agreed that if the minister speaks now, he will close the debate?

Some hon. Members: Agreed.

On motion of Mr. Pearson the debate was adjourned.

On motion of Mr. Harris the house adjourned at 10.13 p.m.

HOUSE OF COMMONS

Wednesday, January 26, 1955

The house met at 2.30 p.m.

HOUSE OF COMMONS

DISTINGUISHED VISITOR—PRIME MINISTER OF PAKISTAN

Mr. Speaker: Hon. members, I am sure, will want me to note the presence in our gallery of a most distinguished visitor, namely the Prime Minister of Pakistan.

(*Translation*):

We extend to him a most cordial welcome.

(*Text*):

We do hope that the conversations that he had with our parliamentarians during his too short a stay in our capital will help, as he said himself upon his arrival, to further the cause of peace and freedom in the world.

CRIMINAL LAW

JOINT COMMITTEE—APPOINTMENT OF MEMBERS TO ACT ON BEHALF OF COMMONS

Mr. W. G. Weir (Portage-Neepawa) moved:

That Miss Bennett, Messrs. Boisvert, Brown (Essex West), Brown (Brantford), Cameron (High Park), Fairey, Garson, Leduc (Verdun), Lusby, Mitchell (London), Montgomery, Murphy (Westmorland), Shaw, Mrs. Shipley and Messrs. Thatcher, Valois and Winch act on behalf of this house on the joint committee of both houses of parliament appointed January 14, 1955 to inquire into and report upon the questions whether the criminal law of Canada relating to (a) capital punishment, (b) corporal punishment or (c) lotteries should be amended in any respect and, if so, in what manner and to what extent; and

That a message be sent to the Senate to inform Their Honours that the foregoing members have been appointed to act on behalf of the Commons on the said joint committee of both houses.

Motion agreed to.

BUTTER

AVAILABILITY OF SUPPLIES TO CANADIAN INSTITUTIONS AT REDUCED PRICES

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Prime Minister. Can the Prime Minister say whether the announcement attributed to the Minister of Agriculture in Edmonton, namely that 20 million pounds of Canadian butter would soon be made available to Canadian institutions at a price lower than the present support price, is right?

Right Hon. L. S. St. Laurent (Prime Minister): That is the intention of the Department of Agriculture.

Mr. Argue: May I ask a supplementary question? With the disposal of this surplus butter, is it the intention of the government to continue the present support price?

Mr. St. Laurent: The government's policy in that regard will be announced as soon as a decision has been reached.

[*Later:*]

Hon. W. Earl Rowe (Acting Leader of the Opposition): Mr. Speaker, supplementary to a question that has already been asked, I would like to ask the Prime Minister a question in view of the statement made by the Minister of Agriculture in western Canada with respect to 70 million pounds of surplus butter that we have, stating that it was 20 million more than we needed and was necessary to hold, and that it was going to be sold. The Prime Minister has said that it was going to be sold, and that it was the policy of the government to sell it at less than it cost. In view of this surplus I would like to ask at what price it is going to be sold, and to whom.

Mr. St. Laurent: The matter has been under consideration, and the only decision that has been arrived at is that inquiries will be made from the institutions to see if they would be interested in taking substantial quantities of butter at a price considerably lower than the market price, for consumption in those institutions.

The policy will be to exercise very strict supervision to see that that is restricted only to public institutions and does not affect the general marketing conditions.

Mr. Rowe: I would like to ask the Prime Minister what type of public institutions he has in mind. Does he mean government institutions? Do I understand it is not going into the trade? I think the trade would be interested to know how much less it is to be sold at. This is the kind of information to which we are entitled—that is, whether it will

be five cents or ten cents. It is the government's policy to purchase butter, and I think we should know that.

Mr. St. Laurent: A floor price was set for butter. I am told that because of the unusually good conditions of the pasture land throughout the last season about 20 million pounds more butter was produced than is usual. It so happens that there is now in storage about 20 million pounds more than is considered normal supply required to bridge the time between the end of January and the new season.

Now, I would not like to state at this time what price the Department of Agriculture will fix for these institutions—and these would include government institutions, hospitals, homes, and other places of that kind that are supported either out of public funds by the government or out of public funds obtained otherwise for the general welfare of those who are living in those institutions.

Mr. Rowe: I would like to ask a further question. Would the Prime Minister tell us if his government does not consider that probably the heavy importations of oleomargarine had as much to do with it as the heavy crop of grass?

Mr. St. Laurent: There are diverging views about importations of oil for oleomargarine in this country, and there are diverging views among Canadians as to the propriety of having such a high floor price for the production of butter. But I think there are a large number in this house and elsewhere who realize that the dairy industry is essential to the prosperity of the agricultural community in Canada. The advantages and disadvantages have to be very carefully weighed, and that is one of the responsibilities we have to discharge and for which we have to answer both to parliament and to the public.

SUGGESTED METHOD OF DISPOSAL OF SURPLUS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Would the minister consider recommending to his cabinet colleagues that another way of dealing with the butter surplus would be to give it away to old age pensioners, and to others who need it, perhaps on doctors' prescriptions?

Some hon. Members: Order.

Mr. Knowles: Is the minister not prepared to answer?

[Mr. Rowe.]

Mr. Daniel McIvor (Fort William): Mr. Speaker, I would like to ask a supplementary question. In view of the fact that other governments have dumped goods into the sea in the past, is not this government to be commended for releasing this butter to hospitals on a lower price basis?

EFFECT OF IMPORTATION OF CHEESE ON BUTTER MARKET

Mr. L. E. Cardiff (Huron): Mr. Speaker, I would like to ask the Prime Minister a supplementary question arising out of the previous question. Does he not consider that the dumping of 2,500,000 pounds of cheese on to the Canadian market will disturb the butter market?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker. the Prime Minister knows of no dumping of cheese into Canada.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would like—

Mr. Speaker: Order. If the hon. member wishes to ask a question I hope it will be on a different subject. I think we have had enough questions on butter. Could we perhaps slide on to another subject?

Mr. Diefenbaker: Mr. Speaker, I thought possibly the Prime Minister would clear up the mystery as to what price this butter is going to be sold at.

Mr. Fleming: The mystery continues.

LABOUR CONDITIONS

FORD STRIKE—REQUEST FOR REMOVAL OF EXCISE TAX ON MOTOR CARS

On the orders of the day:

Miss Sybil Bennett (Halton): I wish to direct a question to the Minister of Finance. In view of the hardships to many of my constituents and the critical state of negotiations in the settlement of the Ford strike, will the minister tell the house whether the government intends to reduce the 15 per cent excise tax on cars in order to assist in the settlement of the strike?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, the question of excise taxes on motor cars has been drawn to my attention on a number of occasions recently and in particular by my colleague the Minister of National Health and Welfare (Mr. Martin) and the hon. members for Essex West (Mr. Brown) and Essex South (Mr. Clark). But I am sure my hon. friend will understand that in this context, or even in

a general fiscal context, it would not be desirable nor possible to make any announcement of intention, but rather to state the fact when it occurred, if it does occur.

CANADIAN NATIONAL RAILWAYS

REDUCTION IN RUNNING TIME BETWEEN MONTREAL AND VANCOUVER

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): I wish to direct a question to the Minister of Transport. Has the minister noticed the story in this morning's *Gazette* that the Canadian Pacific Railway, commencing April 24, is about to lop 16 hours off the run from Montreal to Vancouver? Will the minister indicate why our publicly owned railway has not been in a position to make a similar announcement earlier, in view of the statement of the former president, Mr. Vaughan, to the railway committee of parliament some years ago?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I received the hon. member's question only a few minutes before coming into the house. However, I think my hon. friend must have failed to notice that, almost side by side on the same page of the same issue of the Montreal *Gazette* as the article he mentioned, there is an announcement by the Canadian National Railways to the effect that on April 24 a new fast transcontinental passenger train will considerably reduce the running time of the Montreal and Toronto sections of the Canadian National Railways run to Vancouver.

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to ask a supplementary question. Why is it, then, that the Canadian National Railways has not inaugurated a schedule earlier, when the former president said that was quite practicable and possible on the transcontinental run.

Mr. Marler: I do not think I can add anything further to what I have said on the subject.

FURTHER LAY-OFFS OF EMPLOYEES

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask a question of the Minister of Transport in regard to lay-offs of section and maintenance men on the Canadian National Railways. How many have been laid off during the last week or so, and is it expected that the numbers that have been laid off will cover the situation?

Hon. George C. Marler (Minister of Transport): While the hon. member was good enough to give me notice of a somewhat similar question, I submit with deference that this is the kind of question that ought to be placed on the order paper. I think it will be well understood that details of the current employment position in a country-wide organization the size of the Canadian National Railways must be obtained from the different regions, and it seems to me only reasonable that the management could not be expected to have immediately at hand complete information from which they could, on short notice, determine the answer which might be given. In any event I hope my hon. friend will allow his question to go on the order paper, so that it may be duly answered.

Mr. Diefenbaker: No; this is a matter of great importance to the men working on the railways.

Some hon. Members: Order.

Mr. Diefenbaker: And it is a matter of immediate importance.

Mr. Speaker: Inasmuch as the debate on this particular point might be of interest to some hon. members, I would point out that of course answers to questions on the orders of the day are not debatable. Perhaps the hon. member would allow this matter to stand for the time being.

CHEESE

REGULATIONS APPLYING TO IMPORTATIONS FROM NEW ZEALAND

On the orders of the day:

Mr. G. K. Fraser (Peterborough): Mr. Speaker, I should like to ask a question of the Minister of Agriculture or, in his absence, the parliamentary assistant. Is cheese imported from New Zealand and other countries subject to the same strict inspection as Canadian cheese, in the matter of water content and the like?

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): Any imports of cheese are subject to the same import restrictions as cheese that is exported.

[*Later:*]

Mr. Fraser (Peterborough): May I ask a supplementary question of the parliamentary assistant. In answering my question he said that the imported cheese is subject to the same regulations as our exported cheese. Is that the same as the inspections made of our cheese for home consumption?

Mr. McCubbin: Mr. Speaker, I am not in a position to answer that, but I think it is. However, I shall find out and let the hon. member know.

Inquiries of the Ministry

POST OFFICE DEPARTMENT

ALLEGED DISAPPEARANCE OF MONEY AT BRITANNIA BEACH, B.C.

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, has the Postmaster General had an opportunity to investigate and to report upon the disappearance of $44,000 from Britannia Beach post office?

Hon. Alcide Cote (Postmaster General): Every case is investigated in the department, and this one is actually under investigation. I have asked for a report, and when I receive all the details I will be glad to inform the house about it.

FINANCE

REPORTED EFFORT TO EQUALIZE CANADIAN AND UNITED STATES DOLLARS

On the orders of the day:

Mr. E. G. Hansell (Macleod): I should like to ask a question of the Minister of Finance, and in doing so I apologize for not having given him notice of it. According to an article in this morning's *Gazette* it is indicated that the government may be contemplating bringing the Canadian dollar into conformity with the United States dollar. Would the minister care to enlighten the house on that?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I did not happen to read the *Gazette* this morning. I was interested to see editorial comment on what someone thought was going to be government policy. But I think the answer to the hon. member's question would be that government policy will be announced when it is announced.

AIR TRANSPORT

INQUIRY AS TO FLIGHTS FROM WINNIPEG TO COPENHAGEN

On the orders of the day:

Mr. O. C. Trainor (Winnipeg South): Mr. Speaker, I would like to direct a question to the Minister of Transport. Will the government consider allowing Canadians and others to travel to Europe via Scandinavian Airlines from Winnipeg to Copenhagen?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I shall take my hon. friend's question as notice and answer it at a later date.

[Mr. McCubbin.]

NORTH ATLANTIC TREATY

APPROVAL OF PROTOCOL ON ACCESSION OF FEDERAL REPUBLIC OF GERMANY

The house resumed, from Tuesday, January 25, consideration of the motion of Mr. Pearson:

That it is expedient that the houses of parliament do approve the protocol to the North Atlantic treaty on the accession of the Federal Republic of Germany, signed by Canada at Paris on October 23, 1954, and that this house do approve the same.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, it is my privilege and my responsibility to wind up the debate which we have been having now for more than four days, and to try to deal, as best I can, with some of the points that have been raised in the course of this debate.

In order to assist me in the discharge of this responsibility the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) has just reminded me that it was six years ago today that he, and the Leader of the Opposition (Mr. Drew), whose absence we have all regretted during this debate, and I took our seats for the first time in this house.

This debate has not merely been prolonged, it has been far-reaching in its importance, and has been characterized, if I may say so, by a great sincerity of purpose displayed on the part of those who have contributed to it. I believe it is not unfair to say that emotion and fear have determined the viewpoint of some of the hon. members who have indicated they are not in favour of the resolution; while on the part of others, and I am thinking particularly of the hon. members for Cartier (Mr. Crestohl) and Spadina (Mr. Croll), there has been a demonstration of the mastery of those feelings, of emotion and fear, which are so insecure and dangerous as a basis for policy and action. Those two members—with others—made their case for the resolution solely on the basis of reasoned evidence and of their own sober, realistic judgment.

In dealing now with some of the points, critical and otherwise, raised in this debate, I might say that there have been two criticisms of a general kind which have been levelled against the government; I am not dealing now with the substance of the resolution.

One has been repeated by a good many of my hon. friends opposite and it is that the government has failed to educate the people to the importance of the issue which we are now discussing, and failed also to inform parliament adequately on this and on foreign affairs generally.

The second criticism in this category is that the government is confronting parliament with a *fait accompli* and should have consulted it previously on this matter.

With regard to the first criticism, the hon. member for York-Humber (Miss Aitken) said there is a great vacuum—if I may use that scientific expression—of ignorance in the country despite, as the hon. member put it, the millions spent on publicity by the government.

But the truth is, Mr. Speaker, that the government through the Department of External Affairs spends less than $80,000 per year for publicizing the activities of Canada at home and abroad in so far as international affairs are concerned. Of that sum $21,000 alone is spent in the dissemination of information about foreign affairs in Canada. So much for the "millions" spent on publication.

It has been alleged that the people are ignorant about the issue with which we have been confronted, but if that is so—and I am far from admitting it—I would point out that this particular issue of whether West Germany should or should not be brought into the association of western democratic states as a fully sovereign nation has been before the people and the parliament of Canada since 1950. There was very little opposition expressed by this parliament at earlier sessions on the association of Germany with the west in this manner.

Furthermore, Mr. Speaker, the house committee on external affairs has had, I think, adequate opportunity in those years to discuss this matter, and has indeed done so.

In June, 1952, in the debate on the ratification of the NATO EDC protocol we talked a long time in this house about German rearmament. Yet some hon. members opposite speak as though this were the first time this subject has been under discussion. I would also point out that in the earlier discussion in 1952 the resolution to which I refer was passed in this house without a division.

Now, what are the facts regarding the information which has been made available to members and to the country concerning this particular issue of the admission of Germany to NATO? As soon as the London and Paris decisions were taken and as soon as the texts of those agreements were received in this country by immediate air mail from Paris, 500 copies were made available at once, without request, to all the members of the external affairs committee of this house and to all the members of the NATO parliamentary committee. Copies were also made available to public libraries throughout the country, to 93 editors of newspapers, to labour and educational organizations, to private citizens who were on our mailing list or who requested it and to the educational branches of the defence forces.

Furthermore, in the first number of the external affairs bulletin after these agreements were signed, the one issued in November, the text of the final act and an explanatory article was made available to a large mailing list. In the December number of that bulletin a 5-page article was included on the association of Germany with NATO and dealing in a factual way with the matter before the house today. There were distributed 6,283 copies of that bulletin, including 74 to members of this house; indeed copies were distributed to all who have asked to be placed on the mailing list for that bulletin. The only reason it was not sent to more members of this house is that, on grounds of economy, we have asked members who wished to receive these publications to let us know so that we will not waste money in sending out publications to members who do not desire them. We could spend a great deal more money on information about these matters if we had it, but we have tried to keep our expenditures in that regard down to a minimum. If members who are on the committee on external affairs will recall past experience, they will realize that in that committee the government—and I am not complaining a bit about this fact—has been subject to searching criticism for expenditures in this regard.

As the hon. member for York South (Mr. Noseworthy) stated in his interesting speech, it is not only the responsibility of the government to inform public opinion in Canada on these matters but it is also the responsibility of members and of the press of this country. So, dealing with this point which was raised first by the hon. member for York-Humber (Miss Aitken), I would suggest that if EDC is not, according to a Gallup poll, understood by people in this country and if the initials mean very little to most of them, that is a matter to be regretted, but I hardly think it is a matter which can be laid on the doorstep of the government. Probably the reason why EDC is not better known is that in this country there has been a fundamental unity in connection with matters associated with EDC and NATO; and matters on which we are united rarely catch the attention of the people of the country. I would ask the hon. member not to worry too much about the importance of this Gallup poll because just the other day I read the result of another

Gallup poll which said that only one in three Canadians can name a member of the Ottawa cabinet.

Some hon. Members: Oh, oh.

Mr. Rowe: That is not surprising.

Mr. Pearson: Human nature being what it is, I doubt that EDC or NATO will ever command as much interest among the readers of newspapers as do initials such as N.H.L., C.B.C. or even C.O.D.

As a mild reproach to the government, it has been suggested also that we do not take parliament enough into our confidence on matters concerning foreign affairs. I have looked into the record and I found that in each of the years 1952, 1953 and 1954 we devoted seven full days to the discussion of international matters; and in the committee on external affairs in 1952 we had eleven days, in 1953 twelve days and in 1954 thirteen days. I may repeat that we have had more than four days debate on this resolution in this house at this time, when the United Kingdom parliament—and I think we will all agree that the United Kingdom has as deep and immediate interest in this matter as we have—managed to dispose of its resolution in two days.

I feel, however, that the criticism made by the hon. member for Winnipeg South Centre (Mr. Churchill) of the manner in which the pertinent documents in respect of this matter were tabled and were made available when the house opened was undoubtedly justified. Through you, Mr. Speaker, I apologize to him and to the house for the rather sloppy and indeed inadequate way in which that was done. I hope that we shall do better in the future.

The second criticism which I have mentioned, and which was stressed particularly by the hon. member for Saskatoon (Mr. Knight) and the hon. member for Regina City (Mr. Ellis), is that in this house members have been confronted with a *fait accompli,* that they have no alternative in the matter, that they can do nothing about it, that the decision is already made. I suggest, Mr. Speaker, that that criticism is nonsense. In this matter—as the hon. member for Saskatoon must know; he is a student of constitutional matters—this government has followed not only the correct legal procedure—which indeed would not have required submission of the matter to the house as, legally, ratification is an executive action—but has followed also the correct constitutional practice and the one which has been followed by every other government which has the same kind of parliamentary institutions that we have; I refer to the United Kingdom and other NATO governments. Indeed it is the same practice that will be followed by the United States, which has not yet even submitted this matter to congress. At least, I should say that it has been submitted to congress, Mr. Speaker, but it has not yet been considered or discussed there.

The hon. member for Saskatoon must know what this practice is, namely that the government takes the responsibility for signing an agreement, then brings that agreement to parliament for approval before ratification. Ratification is not given—this is now constitutional practice—without such approval.

I think it was suggested by him and indeed by others that we might have brought this matter to parliament before signature. In reply I claim that such a procedure would have been an impossible way to conduct diplomatic negotiations. In this case, indeed, it would have been even physically quite impossible. What would we have brought to parliament before signature?

The principle involved in this matter is the same—whether Germany should or should not be associated with the west—that had already been discussed in this parliament, as I have pointed out; not only had it been discussed but it had been approved by parliament when we approved the EDC protocol. The principle having been approved, we are certainly on good, sound, constitutional ground in taking part in these discussions, in signing the agreement and in afterwards bringing the agreement, as we have done, to parliament for approval or otherwise. That is exactly the course we have followed since the war in the case of every important international agreement. To argue, as a legitimate explanation or excuse to justify refusal to support the resolution, that any hon. member is being confronted with a *fait accompli,* is to advance a proposition that does not hold water in the slightest degree.

It has also been said that we should have called parliament after the agreements were signed. More than one hon. member on the other side felt that we should have done that in an emergency session. I would ask hon. members what was the emergency in connection with this resolution which would in the circumstances have justified the summoning of parliament last autumn? I can understand the necessity of taking that course if inaction on our part would have held up the implementation of these agreements, but there was no possibility of that happening and we in

the government knew it, as did hon. members generally. So here again we did what the other signatories to these agreements have done, what the United States did, what the United Kingdom did, what France and the other governments did, submitted them to their legislatures in ordinary session, and I am sure hon. members will agree that the agreements in question were quite as important to those countries, especially the European countries, as they are to us.

The hon. member for Prince Albert (Mr. Diefenbaker) has stated that the result of this delay is that Canada is among the last of the signatory countries to take action in this matter. With respect, I suggest we are among the first, for if he will consult the records he will find that at the present time there are only three signatories to these agreements that have completed the process of legislative approval—the United Kingdom, Norway and Iceland.

Mr. Fleming: What about Greece?

Mr. Pearson: Greece has not yet, as I understand it, approved these agreements.

Mr. Fleming: Last week.

Mr. Pearson: If I am wrong I will apologize to my hon. friend, but my information is that only three legislatures have approved these agreements.

Mr. Fleming: Belgium, too.

Mr. Pearson: If we approve this resolution this afternoon, as I hope we will, then to the best of my information Canada will be fourth of the countries concerned to take the necessary legislative action.

Now, Mr. Speaker, some questions have arisen in the course of this discussion concerning Canada's commitments and how they might or might not be affected by the action we are proposing to take. I thought I had covered that in my earlier statement, but the house might like me to deal with some specific points which have been raised in the course of the debate since that statement. Some of these questions are questions for information and some of them are rather in the nature of critical observations with regard to our commitments.

So far as the first category of questions is concerned, the hon. member for Three Rivers (Mr. Balcer) asked me whether we had undertaken any new commitments in the resolution before the house. I would merely ask him if he would be so good as to read my earlier statement when I said we had not, that in fact we have undertaken, in so far as guarantees in the resolution are concerned, exactly the same kind of obligation that we undertook when the house gave approval to the EDC-NATO protocol. I would, however, like to add that if these agreements are made effective, and I hope they will be, the Federal Republic of Germany will become a member of NATO and as Canada is a NATO area that will have, I suggest, a beneficial effect on existing commitments because the obligation of assistance under the North Atlantic treaty pact is reciprocal.

This point, Mr. Speaker, may strike home with greater force if we remind ourselves that with modern weapons and long-range aircraft full-scale war today would be quite a different matter from that of the last world war when this continent was safe from attack. Hon. members are aware, or they soon will be, of the large sums of money which will be necessary to be found on this continent to create an effective continental warning system. Surely that emphasizes the necessity of keeping our defences flexible and the necessity of continuing to examine with our friends in NATO the best and most effective way we can allocate our resources for the general security. We would be irresponsible indeed if in that examination we did not take into account changes in the vulnerability of various areas of NATO as they occur.

That does not, Mr. Speaker, in any sense involve a weakening in our interest here in the defence of western Europe or any other NATO area. It does, however, I think, involve an increasing European interest in the continued security of North America as a NATO area. Anything that makes less possible a knock-out attack on the main centres of western strength, which are on this continent, increases the deterrent and thereby, I suggest, diminishes the risk of aggression anywhere.

As to the second category of questions about our commitments, there were—I say this in no captious sense and I would not be dealing with the matter if it had not been raised by hon. members opposite—critical observations about the extent of the commitments which we have undertaken. But in this case, if I may say so, the criticism of the two wings of the Conservative party, if I may put it that way, with respect to this matter tended, as has been the case before, to cancel each other out.

The hon. member for Esquimalt-Saanich (Mr. Pearkes), in what I thought was a very useful and indeed important contribution to this debate, asked me if I was satisfied that Canada was doing enough under NATO. My answer to that question is yes. Having regard to all the circumstances, including the one I have just mentioned, I think that we do not need to apologize in any way for our contribution to the common defence under NATO.

The hon. member for Winnipeg South Centre when talking about the London conference said, as found at page 427 of *Hansard* of January 21:

> I had hoped that Canada might have made as forthright a statement with regard to her forces in Europe as is implied in the commitment of Great Britain. . .

I would point out to the house that the commitment of Great Britain was to keep its forces, four divisions, I think, and the second tactical air force, on the continent of Europe for 44 years. I confess—indeed, confess is the wrong word—I said the other day and I repeat that Canada did not give any such pledge at the London meeting and was not asked to give any pledge of that kind because the United Kingdom pledge was given as a member of the western European union. That omission, if you like to call it an omission, on our part should please the hon. member for Three Rivers because, taking issue with his colleagues, he did state, and I am sure I am not misquoting him, his opinion that we had done and were doing rather too much in Korea and, indeed, in Indo-China and that we are overextended in these matters. He certainly overextended our figures with regard to the brigade in Europe because he nearly doubled them. He is on the record as having said, and that is the only reason I mention it, that we should not have been at the London conference. Indeed, he went a little further and said that we—I think by "we" he meant me—forced our way into that conference, a point that has been dealt with very effectively by the hon. member for St. Mary (Mr. Dupuis). That is an interesting argument, Mr. Speaker, when you compare it with the other argument that this matter was so important for Canada that we should have called a special session. He said also, and I quote from *Hansard* for January 21, 1955, page 413:

> But Canada had no more business to be there than Greece, . . .

Greece is an important and respected member of NATO. I would point out, however, that Greece does not have, and did not at that time have, any forces in Germany. Greece was not giving any mutual aid through the arrangements which were under consideration at the London conference. The sovereignty of Germany was under consideration also, which was a matter of real and immediate importance, not only to Canada generally but to the forces which we had in Germany. The hon. member's suggestion, however, was that notwithstanding all this we should have stayed away and allowed these matters of very direct concern to us to be decided by others. I do not myself, Mr. Speaker, approve of that form of new colonialism.

The hon. member for Quebec West (Mr. Dufresne) expressed his worry over our defence expenditures, and that is certainly a legitimate worry. He felt we should be very careful because our existing commitments were so heavy that we should not increase them. Well, I share his preoccupation with defence expenditures, but I was mildly surprised at his worry, because just a few minutes before he made that statement he said, and he may or may not be right, that a sense of realism and an examination of what is going on should convince us that war is all but on us at this time. Then he added that we should, therefore, adopt the appropriate measures now open to us. I assure you, Mr. Speaker, they do involve expenditures on defence.

Mr. Dufresne: I was speaking on the resolution.

Mr. Pearson: There was another question raised in this debate about our commitments. The hon. member for Prince Albert (Mr. Diefenbaker) and the hon. member for Quebec West asked, and it is a good question, what would we do if the West Germans attacked Berlin? Are we involved? The hon. member for Winnipeg North (Mr. Stewart) went farther than that and said, at page 410 of *Hansard* for January 21, 1955:

> I state also as a fact that there are unscrupulous groups in Germany who will go to any lengths in an attempt to unite East Germany with the west. Then what will we do?

Then he went on:

> What if the United States decide that they are going to support this war against communism and communist barbarism in eastern Europe?

I thought I had answered that question in my earlier statement. It is such an important one that I do not apologize for repeating the answer. I said then, and I repeat now, that any aggressive action of this kind by the West Germans or by anybody else in NATO, but especially by the West Germans because they have undertaken a special obligation in this regard, would break the London and Paris agreements and would break the NATO agreements. In the case of the Federal Republic of Germany, such action would also break their own special undertakings, which they voluntarily assumed in London, not to use force. Far from there being any obligation or commitment on our part to go to their help, there would be an obligation on our part—it is written into these special undertakings to which we have subscribed—to consult under article 4 of the North Atlantic treaty as to what action we should take against an aggressor, whether or not he were a member of the NATO organization. I am

sure this is a purely hypothetical question, but it is just as well that the answer should be plain and unambiguous.

Several members, and particularly the hon. member for Prince Albert, wondered why the limitation imposed on the Federal Republic of Germany in regard to the production of certain weapons should be restricted to, the phrase used is, "in its territory." I assure the house that there was no ulterior purpose, nothing sinister about these qualifying words. I would point out also that there were other clauses in these protocols which cover the level of stocks of the member governments, the level of stocks to be permitted, and which were to be controlled by a majority vote of the western European council. The German level in these special arms is zero.

I would point out also that the arms limitation agency set up by the western European agreement has power to control imports into Germany and exports of these armaments from other countries to Germany. This power relates not only to exports and imports of what we call the ABC weapons, but also to heavy warships, mines, aircraft and certain other types of weapons. The North Atlantic Treaty Organization command can inspect these levels—and equipment—of the German forces, amongst others, at any time. I feel that in the circumstances we have established rather firm safeguards, not only in regard to production but the provision and use of armaments.

Mr. Coldwell: May I ask the minister a question? What is the explanation, then, for the establishment by the Dornier aircraft company of a plant in Spain?

Mr. Pearson: Well, there is nothing in the agreement, as I have just said, which would prevent a private German company from establishing a factory in Spain, Canada or any other country for the manufacture of aeroplanes. But there is something in the agreement which would prevent the German federal republic forces from equipping themselves with heavy aeroplanes.

The hon. member for Cartier (Mr. Crestohl), in a statement which moved us all, made a very interesting suggestion that our new partner, the young Federal Republic of Germany, as I hope she will be, might subscribe to some of the international conventions which have been worked out under the United Nations charter, and more particularly the genocide convention. This thought, if I may say so, is one which I feel sure would have a genuine appeal for the German federal republic, as it has for other countries which have subscribed to similar agreements based on similar principles.

I would point out in this connection, Mr. Speaker, that the federal republic has already agreed upon a declaration incorporated into the final act of the London conference, to abide by the obligations set forth in article 1 of the United Nations charter, which all members of the United Nations are pledged to follow in the pursuit of the purposes of the United Nations. One of the most important of these purposes is, and I quote from the charter:

> . . . promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion.

This declaration of the federal republic is an aspect of the agreement which I admit has received very little attention, either here or elsewhere, possibly because we have directed so much attention to that part which turned on the rearmament of Germany.

Now, on the rearmament side of this agreement, which seems to be the only one attracting a great deal of attention, emphasis has been laid on the statement—not in this case a fact—that nobody wants these agreements.

It is quite true, Mr. Speaker, that the communists do not want them, and it is also true that they are bending every effort in every country concerned to destroy and defeat them. We do not hear as much sometimes about this Russian pressure as we hear—and we have heard it in this house—about American pressure in respect of these matters. I would like to ask any hon. member opposite to point out any such unfair pressure by the United States since these agreements were negotiated in London early last autumn. The attitude of the United States administration in respect of these matters during these months has been wise and understanding and characterized by no pressure of any kind.

In an effort to illustrate the seriousness and indeed the importance of this communist pressure which I think, notwithstanding what has been said by my hon. friends opposite, has had some effect in this country, my colleague the Minister of National Health and Welfare (Mr. Martin) read into the record last Friday a directive of the communist party of this country which showed very conclusively the length to which that party was prepared to go in defeating these agreements. In commenting on that statement of my colleague, the hon. member for Regina City, reflecting a sensitiveness in this matter which I suggest is almost morbid, saw fit to say this. First, Mr. Speaker, I had better read exactly what the Minister of National Health and Welfare did say. I quote from page 434 of *Hansard*. He said:

> I think the people of the country should know—

I am making a horrible mistake. I am reading from the statement of the hon. member from Saskatoon (Mr. Knight). I will come to him in just a minute.

The Minister of National Health and Welfare said this, as reported at page 420 of *Hansard:*

I would suggest that if there is no enthusiasm on the part of the people of Canada, it could be because this directive has already been acted upon.

That is the communist directive. I continue with the quotation:

But we are not unfamiliar with this technique,—

He was talking about the members of this parliament. He goes on:

—and none of us in this house is going to be in any way influenced except, as the hon. member who has just spoken has said, by the dictates of his or her own conscience.

That seemed to me, Mr. Speaker, to be a perfectly proper observation to make, but it did not seem proper to the hon. member for Saskatoon, because this is how he described it at page 435 of *Hansard:*

I refer to the rather snide remark—I do not like the word but I cannot think of a better one at the moment—of the Minister of National Health and Welfare, who suggested that there might have been some softening of our opinion or the opinion of the country in this regard on account of certain propaganda from the handful of communists in Canada. It is true that the minister immediately withdrew that inference in so far as members of parliament were concerned. I have heard the Minister of National Health and Welfare do that sort of thing before. I believe, however, that inferences, accusations or slander once indulged in can never be completely withdrawn.

In view of what the minister did say and the careful and courteous way in which he put it—and he was applauded by hon. members opposite when he said it—I suggest that that commentary on the minister's remarks by my hon. friend was unfair and unwarranted.

I approach these agreements, and this proposal in particular, in no defeatist or defensive attitude at all. Like hon. members, I regret, indeed I lament, the circumstances which make this kind of agreement necessary; but I am happy that this kind of solution has been found to meet those circumstances and I rejoice when I think what might have happened and what nearly happened last autumn when we were in danger of not finding any such solution, when we were in danger not so much of losing 12 divisions but of losing NATO itself, and when we were in danger of seeing the disintegration quickly rather than slowly of the coalition for peace which we had been building up. It has been repeated over and over again that nobody wants these agreements. Well, Mr. Speaker, this government and the people of Canada want these agreements. The government of free Germany wants these agreements which, quite incorrectly, are characterized as being forced on them. That of course is quite absurd, because the agreements themselves merely give the Germans the right, if they so desire and accept these agreements, to rearm up to a point. They can accept—and I hope they will, notwithstanding what has been said in this house—or they can reject them.

It has been said over and over again by my hon. friends opposite—I am sure they are quite sincere—

Mr. Diefenbaker: I rise on a question of privilege. My hon. friend keeps referring to his hon. friends opposite. He looks in the direction of the C.C.F. but the record does not show that.

Mr. Pearson: I am grateful to my hon. friend for giving me a chance to correct the record in that regard, because when I talk about my hon. friends opposite who are opposed to these agreements I am referring not to his own party but to members of the C.C.F. party, not all of whom have spoken against the agreements, as they have every right to do.

Now, I would like to know the evidence, which they have not yet produced to my satisfaction, to support the statement that the German people are opposed to these agreements. Certainly, the German people, through their elected representatives, accepted EDC by a vote of 224 to 165 in the Bundestag. They have said that the leader of the socialist party, Herr Ollenhauer is unalterably opposed to these agreements and the rearming of Germany; but this German socialist democratic leader said at Dortmund in 1953, and I am quoting from his speech, and I believe he was speaking for his party:

We believe that co-operation in a shape which is acceptable also to Great Britain and the Scandinavian nations and associated with NATO will provide better conditions for the effective security arrangements than the EDC treaty. The S.P.D. would accordingly welcome new negotiations on this basis.

And that is the basis on which we have been negotiating. Furthermore, in the social democratic conference late in 1954, the same leader said:

Nor does our rejection of EDC signify the refusal of a military contribution to the defence of the free world in all circumstances so long as Germany remains divided.

It has been said that France is opposed to or accepts these agreements with the greatest

reluctance. I know what the vote was in the French lower chamber a few weeks ago: 287 for and 260 against. I also know—and this was pointed out by others who support this agreement—I also know that 99 communists voted against it. But, more significant—because communist votes in these matters have only a kind of significance—more significant is the fact that 53 members of the M.R.P. party who voted against this agreement did not oppose rearmament when it was introduced in EDC. Indeed, they were the chief supporters of EDC.

Also I know—and this has been pointed out—that 86 socialists in the French house voted for the agreement. I would also like to mention now that so much has been made of the way these agreements have been forced on European parliaments that the legislature of Norway, which incidentally has a socialist majority, approved them by 126 to 7. Three or four of the seven were communist members.

I note that the socialist government of Denmark has signed these agreements and is submitting them to its parliament for approval. I note that the lower house in Belgium, in which also the socialist party is the largest, voted—and there was a considerably bigger majority than that which they gave EDC a couple of years ago—last week to approve these agreements by a vote of 181 to 9. And in the 9 were 4 communists.

Mr. Speaker, these socialist parties and socialist governments are led by men who are very close to the danger from Germany and the danger from Russia, who have experienced that danger, who have an understanding of these European forces which are moving now—an understanding which may, I suggest, be greater than that of the hon. member for Nanaimo (Mr. Cameron). And these men and parties did not hesitate to express their approval in the way I have mentioned for these particular agreements.

I know that much has been made in this house, by those opposing this resolution, of the vote in the House of Commons in London. That vote was 264 for and 4 against. The hon. member for Yorkton (Mr. Castleden), and indeed also the hon. member for Regina City (Mr. Ellis), said that this constituted a silent protest by a majority of members who could only signify their protest by not voting for it.

Well, Mr. Speaker, that is a complete—though I am quite sure unintentional—misrepresentation of the political situation reflected in that vote. And I suggest to my hon. friends that they look up the circumstances of that vote. Indeed, to save them the trouble I shall tell them. In the United Kingdom the small vote—and it was a small vote—registered in support of the agreement was the result, as I am sure some hon. members know, of a last-minute refusal on the part of six pacifist Labourites—and I honour them for their views in that regard—to support the agreement made between the two parties that there would not be a division on this matter. The Labour party leadership had realized that if a vote were taken notwithstanding the support of these agreements by their leaders and by their front bench and by a majority of their members—indeed Mr. Morrison, Mr. Attlee and others spoke in favour of them—the Bevanites and perhaps some others would decide to abstain. And therefore for the purpose of the public record they did not desire such a vote.

To avoid it the Labour leaders decided that the party as a whole should abstain since the agreement that there should be no division was made null and void when these six Labour members forced a vote. But a great many of the members in that house who did not vote on that occasion, including the bulk of the Labour party, by the speeches they made and the decisions they had reached, would have supported it. And indeed there were also 40 Conservative members absent from that vote because they assumed there would be no division. That is the correct situation in regard to the United Kingdom vote, and it is not the same as that which has been put forward by some hon. members opposite.

Now, my hon. friend from Winnipeg North Centre (Mr. Knowles), in a very sincere contribution to this debate, said that he opposed it because, among other things, it meant an irrevocable step—because it meant, as he put it, I think, that we would reach the point of no return.

The hon. member for Saskatoon (Mr. Knight), and some others who feel as he does about these matters, said that this agreement is futile, if not worse, because it will be met by increased arms on the other side, and that because of that competition we will end up in a worse condition than when we started.

On the basis of that logic, Mr. Speaker, we would never have built up NATO, about which exactly the same arguments could have been but were not used in the house at that time. I suggest that this step is not irrevocable at all, in the sense that it will determine the path to war. On the contrary, I think it will give us a chance to find a better path than the one we are following now, which might indeed lead to war.

It has been said that there is lots of time, that time is on our side in these matters. Well, time is on our side only if we

use it. It has been said, "What's the hurry?" Well, Mr. Speaker, we began trying to make an arrangement with the Soviet union on these matters affecting Germany years ago, and only after repeated attempts in that direction had failed did the western powers, reluctantly, decide that this was the only course and the best course.

Why do the opponents of this resolution keep on forgetting, or misrepresenting, the Berlin conference which was held a year ago? Why do they go on with the tendentious and one-sided interpretation which we heard last night in the statement of the hon. member for Nanaimo? I am not trying to prove that everything that was put forward by the western delegates at that conference was perfect—or at any other conference with the Soviet union—but I do know, and I have read the record from beginning to end, and I hope my hon. friends have too—that at that time the western leaders pleaded for free elections. And, more important, when they were pushed by the Soviet union they agreed that any all-German government which might result from such elections could contract out of EDC, and that it would be free to accept or reject the arrangements of EDC. That is something that the Soviet delegates, Soviet representatives, indeed Mr. Molotov at the conference itself, deliberately refused to recognize. The other day in the House of Commons in London Sir Anthony Eden gave us the assurance that the position in that regard is exactly the same today.

He said—and I am quoting from his speech on that occasion, in answer to a question:

> Of course, the federal republic, as long as the federal republic exists, is bound by these agreements as long as these agreements are in force. There is no doubt about that at all. But we did make it abundantly clear during the Berlin conference . . . that if a new unified German state were to take the place of the German republic she would have the right either to assume, or not to assume, the previous obligations of the federal republic.

And he went on to add that the converse also was true. We all hope of course—that is, those of us who support these agreements—that that would not happen if all-German free elections took place. But we have to take our chances in that regard.

And so, Mr. Speaker, the question, then, is not that these agreements are being forced on Germany as something irrevocable. That is not the case at all. The question is not primarily one of German rearmament, and whether she will or will not have the right to arm up to 12 divisions. The question is whether she will be given back her sovereignty. I believe we all admit that this must include the first right of sovereignty, the right to defend oneself. The question is whether she will be given permission to associate herself with the west as one of a defensive group, including the United Kingdom, the United States, and France, and in the process accepting certain limitations and controls.

In view of that I ask the hon. members who are opposing this agreement how they can possibly argue that the situation now is exactly as it was in the twenties when the nazis were working their way to power?

The hon. member for Saskatoon, at page 436 of *Hansard* for January 21, made what I thought was an extraordinary statement in view of the arguments he had been putting forward. He said:

> If conditions do not change, Germany is going to arm herself. Let us make no mistake about that. She will rearm, and that rearmament will be limited only by her own desires. But we need not thrust arms upon her.

But no one is thrusting arms upon her. She has the right of decision as to whether she will accept this agreement. The alternative, however, in the words of the hon. member, is that if she does not accept the agreements "she will rearm, and that rearmament will be limited only by her own desires."

Is that a better alternative than the controls which are embodied in these agreements? I suggest that if he and others who feel like him believe that rearmament will be limited only by Germany's own desires and that it is inevitable, then they have no basis for opposing this resolution.

The hon. member for Winnipeg North (Mr. Stewart) echoed similar views when he said, at page 411 of *Hansard*:

> . . . Germany is going to be rearmed in any event. I believe that to be the case.

Why then does he not support us in this matter? He gave us a reason and I hope I will be able to remove its validity. He said we had not gone far enough in the political and economic integration outlined under article 2 of NATO.

But, Mr. Speaker, if that is his only argument I ask him, and others who think as he does in this matter, to consider what would happen if these agreements were rejected. What would happen to the European union? What would happen to NATO? In my opinion, both would go. What chance would there then be of realizing the ideal which I share in this regard with the hon. member for Winnipeg North, of a closer Atlantic community and union?

The hon. member states, and others who oppose this agreement have echoed this sentiment, that, and I quote from page 410 of *Hansard*:

> Germany must be brought back within the comity of nations and as rapidly as possible, though not on Russian terms.

I could not describe our objective any better than that. I say in all sincerity that that is what we are trying to do, namely bring Germany back into the comity of nations, but not into the cominformity of nations. There is very little chance of doing that if we scorn her now; if we reject her offer of association with the west, or if we treat her as a second-class nation, and refuse her the first right of sovereignty, which is participation in her own defence.

This will never be done if we think only of —and it is hard to forget it—German savagery and her misdeeds. I suggest that the hon. members on the other side of the house from the C.C.F. group who are opposing this resolution are adopting a purely negative attitude in this matter. They are looking back only and they are filled with fears that this course will lead to war and will stop negotiations. I do not share those fears. I think this course if it is operated in the right manner will lead away from war, and I think it will make our negotiations more effective.

The hon. member for Winnipeg North Centre, in dealing with my point that we had made 16 efforts to negotiate German unification, said, "Let us make 16 more if the alternative is war." I agree, but as I see it the alternative is not war, and I am quite sure that if these agreements go into operation we will be able to negotiate as we must with those whom we have some right to fear.

I deny these agreements will stop the process of negotiation and bring about war. I think the experience of the last four or five years, as the hon. member for Vancouver-Kingsway (Mr. MacInnis) said last night, bears this out. The *Economist* put it very neatly in this manner:

> Russia wastes no concession on the weak and a policy of negotiating from strength—however fiercely denounced by the Russians—is the one thing that gets results.

As I see it, it is far more dangerous to peace, far more likely to provoke ultimate conflict, if we refuse to accept these agreements.

I wish to conclude by summing up the reasons why I say that, and I hope my remarks will make some impression on those who are opposing these agreements.

My first reason is well expressed by Sir Anthony Eden when he said:

> The only alternative to the Paris agreements would be to plunge the world into confusion and despair.

Would that be a good basis for negotiation? Would it be better to negotiate now and abandon or drop our policies as the Soviet union is begging us to do? We were asked last night, and indeed during the debate on Thursday and Friday, to look at new Soviet offers and particularly at Mr. Molotov's of January 15. I have looked at it, like the hon. member for Mackenzie (Mr. Nicholson) and others, and I find it a very stale carrot indeed. I am quite sure I am correct in saying that it is a transparent and rather clumsy effort to bring pressure on the Germans on the eve of their debate. It has not deceived the German people, but it may have deceived some hon. members in this house. The hon. member for Mackenzie at page 488 of *Hansard* referred to this matter. I checked with the text of the proposal and I would like to give a translation of the paragraph on elections which I think, and he agrees, is most important. The translation is as follows:

> "The Soviet government deems it possible in the event of the consent of the government of the German democratic republic and the federal republic to come to an agreement on appropriate supervision.

This has been interpreted by some as an advance on the part of the Soviet union. But I would point out that it reads ". . . in the event of the consent of the government of the German democratic republic and the federal republic . . .", and one is a communist state.

It might give some indication of what German communists and the Russians mean by "appropriate supervision" in this connection if I state what Herr Ulbricht, the communist leader in East Germany, had to say on this issue, almost at the same time. I think it is a lurid commentary on the January 15 offer. He described how the elections should be conducted if they ever got around to holding them. He advised the communists in East Germany to carry out:

> The setting up of joint lists of candidates for the national front as a preparation for what we wish to extend to the whole of Germany later.

That has a very ominous ring, Mr. Speaker. We have had experience with that kind of procedure in East Germany, in Korea, and in other parts of the world where the communists have been in control or have been trying to get control. The hon. member for Mackenzie (Mr. Nicholson)—and he quotes the London *Times* in this respect—feels that this new offer has created a great deal of confusion. I think it has done so; but I think it has created more confusion in some minds in this house than it has created elsewhere.

Then the second reason why I asked for unanimous support of these agreements is that if they were rejected they would be a rebuff to the peaceful democratic forces in Germany which now form a great majority of the members of that legislature. In this respect I cannot refrain from saying that I have been amazed at the attack made on these governing forces in the Federal Republic of Germany at the present time. My friend

the hon. member for Yorkton, dealing with this matter, talked about nazi leadership. At page 493 of *Hansard* he is reported to have had this to say:

> I refuse to support a nazi German army forced upon a reluctant German people who know the real nazis.

The same feeling was expressed by the hon. member for Regina City and the hon. member for Nanaimo. Let me quote from someone who knows this government in Germany and these people probably better than most of us know them in this House of Commons. I refer to an experienced and responsible journalist, Mr. Theodore H. White. This is what he has to say—and it was written last week—about the Bonn government:

> There are certain important points to note about Bonn. Here, in the Bundestag, sit 487 representatives of the people, put there by an election in which 86 per cent of all Germans eligible to vote went freely to the polls. . . Yet among all these elected representatives of Germany there is not one latter-day nazi, not one communist. These men of the Bundestag, together, have given Germans the freest, most decent government in their history.

This is the government that asks to be admitted into our partnership. This is the regime against which remarks are aimed when some of my hon. friends opposite talk about nazi leadership. If we rebuff these forces in Germany and if we discourage and make cynical Herr Adenauer and the men around him, I suggest we shall play right into the hands of the right and left extremists; and there are some of those in Western Germany today.

Who are these so-called nazi leaders responsible for German defence who would organize the German army at this time? They would be under the leadership of a great European, as I have characterized him, namely Herr Adenauer, a man who was on the SS blacklist and was arrested by Hitler. The four top men who would have charge of the defence organization they are permitted would be Herr Blank, a trade union leader; Adolf Heusinger, never a nazi; Hans Speidel, a German general who was in the plot against Hitler and who was tortured in nazi prisons; while the officer in charge of military education and indoctrination has been described as a man of "glowing conscience" who truly wants to make a new democratic army that belongs to the people.

My third reason, Mr. Speaker, is that if we defeat this measure, the move toward European unity would be stopped and France and Germany would once again drift apart. My fourth reason is that NATO, on which our hopes depend for so much more than defence,

would be seriously, indeed I think fatally, weakened. I am absolutely convinced of this and not merely, as was suggested last night, because of United States policy in this matter. How could NATO forces remain in Germany indefinitely without that country being a member? How could that country be a member without sovereignty, unless it became a second-class member? And it would rightfully not accept that status. How could it exercise sovereignty if it were refused any share in the collective defence? These, Mr. Speaker, are the imperatives of the situation and not, as I say, United States pressure.

This is not an act of war but of faith; faith in the better forces in Germany, and that includes the social democratic party in Germany; faith in our own increasing strength, under increasingly collective controls, used for pacific defence purposes; faith in our ever-widening system of collective action; faith in European union and the Atlantic community. It is also an act of faith that the Soviet union, when it faces the reality of our determination to proceed steadily on this course, will decide to negotiate realistically for a solution of those European and world questions which will help to heal some of the ills and evils that now plague our distressed world.

Before I left Paris at the last meeting I had a conversation with a leader of one of the NATO countries, one who had suffered such cruelties from the nazi forces in his country during the war that it would make the blood run cold to hear about them. As we parted I said to him, "In the light of your experiences, it is not going to be easy for you personally to support these agreements". His reply was more or less in these words: "Not at all. Indeed, it makes me more anxious than ever to get these agreements through, because I believe they can help to bring about a European and Atlantic unity in which national madness and cruelty of this kind will be prevented and which will give us a better chance for peace".

Mr. Speaker, a vote against this resolution will not defeat it in this house but it will be a declaration of support for such defeat in other countries as well as in this country, with all the unhappy and dangerous consequences that would, I am certain, flow from that defeat. There may be risk in the course we are advocating. There is risk in every international action. But there is more than risk involved if this were defeated; there is a very real and immediate danger to European unity, Atlantic co-operation and peace in the rejection of this course to which we have set

our hand. I therefore hope that no member in this Canadian House of Commons will vote against this proposal.

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

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

YEAS

Messrs:

Aitken, Miss
Anderson
Applewhaite
Arsenault
Ashbourne
Balcer
Balcom
Batten
Bell
Benidickson
Bennett (Grey North)
Bennett, Miss (Halton)
Blackmore
Blair
Blanchette
Boisvert
Bonnier
Boucher (Chateauguay-Huntingdon-Laprairie)
Bourget
Bourque
Breton
Brisson
Brooks
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campbell
Campney
Cannon
Cardiff
Cardin
Caron
Carrick
Carter
Casselman
Cauchon
Cavers
Charlton
Churchill
Clark
Cloutier
Coldwell
Cote
Crestohl
Croll
Dechene
Denis
Deschatelets
Deslieres
Dickey
Diefenbaker
Dinsdale
Dufresne
Dupuis
Enfield
Eudes
Eyre
Fairey
Fleming
Fontaine
Fraser (Peterborough)
Fraser (St. John's East)
Fulton
Gagnon
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gillis
Gingras
Gingues
Girard
Goode
Gour (Russell)
Green
Gregg
Habel
Hahn
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hanna
Hansell
Hardie
Harkness
Harris
Harrison
Healy
Hees
Hellyer
Henry
Hodgson
Holowach
Hosking
Houck
Howe (Port Arthur)
Howe (Wellington-Huron)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leboe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Legare
Lennard
Lesage
Lusby
Macdonnell
MacDougall
MacEachen
MacInnis
MacLean
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McGregor
McIlraith
McIvor
McLeod
McMillan
Mang
Marler
Martin
Masse
Matheson
Meunier
Michaud
Michener
Mitchell (London)
Mitchell (Sudbury)
Monette
Monteith
Montgomery
Murphy (Lambton West)
Murphy (Westmorland)
Nesbitt
Nickle
Nowlan
Pallett
Patterson
Pearkes
Pearson
Perron
Philpott
Pickersgill
Pinard
Pommer
Poulin
Pouliot
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Bruce)
Robinson (Simcoe East)
Rochefort
Rouleau
Rowe
St. Laurent
Schneider
Shaw
Shipley, Mrs.
Simmons
Sinclair
Small
Smith
Stanton
Starr
Stick
Stuart (Charlotte)
Studer
Thatcher
Thibault
Thomas
Trainor
Tucker
Tustin
Valois
Viau
Villeneuve
Weaver
Weir
Pommer
Weselak
White (Hastings-Frontenac)
White (Middlesex East)
White (Waterloo South)
Wylie
Yuill—213.

NAYS

Messrs:

Barnett
Cameron (Nanaimo)
Castleden
Ellis
Herridge
Jones
Knight
Knowles
McCullough (Moose Mountain)
Nicholson
Noseworthy
Winch—12.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, January 19, consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Rowe, and the amendment to the amendment of Mr. Coldwell.

Mr. Charles Cannon (Iles-de-la-Madeleine): Mr. Speaker, we shall now descend from the high level of international politics to the lower plane of domestic issues and the needs of the Magdalen islands.

When I adjourned the debate on Wednesday last I was suggesting that the leader of the Social Credit party (Mr. Low) should state in this house where his party stands on the issue of whether armaments should be reduced in Canada in order to increase family allowances. This is what I said at the time, as reported at page 356 of *Hansard*:

I should like the leader of the Social Credit party to tell the house and the country—because I say the country is entitled to a declaration from the man who is leader of a party that claims to be a national party—whether or not he is in favour of Canadian armament, whether or not he is in favour of Canada living up to the obligations it undertook with the rest of the western European nations to resist communism, whether he is in favour of Canada living up to the obligations that it undertook under NATO. I say that if he is in favour of these things the Social Credit party cannot in good faith tell the people of my county or of any other county that this country ought to reduce military expenditures in order to double family allowances.

I say that if the Social Credit party is in favour of our living up to our obligations under NATO and our obligations to the other free countries allied with us, its leader should denounce in the house and repudiate what has been done in my constituency in the name of the Social Credit party. I shall look forward to hearing him make a statement on that point.

I am pleased to be able to tell you, Mr. Speaker, and to tell the people of my county that at the first opportunity that arose after that, the leader of the Social Credit party made the following statement in the debate on the motion to admit Germany into NATO, as reported at page 387 of *Hansard*:

I say to him, the hon. member for Iles-de-la-Madeleine (Mr. Cannon), that I have supported NATO right from the beginning, because I have felt that Canada must be strong, and that Canada must stand with the other free nations of the world to resist communism. I believe we must continue to spend for defence purposes and keep ourselves strong and, certainly so long as the present situation continues, we must give high priority to defence. That is where I stand.

He goes on to say:

I took a note of what the hon. member said last night and I felt that under the circumstances I was obligated to state where I stand. And by the way, I am speaking at this time for the Social Credit association of Canada, of which I have the honour to be leader. I am sure all the members of that association, and those affiliated with it, will stand by what I have to say.

That was a very satisfactory answer for me to get, and I ask the people of my county to take particular note of it. I ask the people who have been telephoning me during the last few days to protest against the remarks I made last week, who state that they are members of that party, to take note of what their leader said in the house. I hope that will settle the matter.

Mr. Hansell: May I say for the record that the Social Crediters my hon. friend refers to are not affiliated with the Social Credit association of Canada. Therefore the leader of this group is not their leader in that sense.

Mr. Cannon: I am not familiar with the internal organization of your party. I can assure you they use your name in their propaganda.

An hon. Member: So does Bennett.

(Translation):

Mr. Cannon: Mr. Speaker, I want to call your attention and that of the members to an item which appeared in the Vancouver *Province*, reporting a statement of the hon. member for Vancouver East (Mr. Winch) which aims a blow at the rights of French-speaking members of the House of Commons as well as the rights of all French-speaking electors. This article, which appeared in the said paper on September 15, was sent to me by a friend of mine in British Columbia. It is entitled:

(Text):

Winch hits use of French language in the house.

(Translation):

The article goes on:

(Text):

"I have yet to meet a French-Canadian M.P. who does not understand or speak English," he explained. "Yet this minority group insists on using French in the house. We have to wait twenty-four hours for a transcript to find out what they said."

(Translation):

The hon. member for Vancouver East said at a meeting held in Vancouver North: "I have yet to meet a French-Canadian M.P. who does not understand or speak English. Yet this minority group insists on using French in the house. We have to wait 24 hours for a transcript to find out what they said."

He also said:

(Text):

It is their God-given right to use the French tongue but why do they insist on it when they know the majority of the members are English-speaking and can speak it themselves?

(Translation):

He also said:

It is their right, he says—how nice of him! —to use French, but he wonders why they do so, when they know the majority of members are English-speaking and cannot understand French.

Mr. Dufresne: That is socialistic fanaticism.

Mr. Cannon: I could not let this attack go unchallenged. I deem it my duty to register a strong protest against what the hon. member said in North Vancouver. Mr. Speaker, this is the kind of thing that hurts national unity in this country.

Vigilance, we are told, is the price of freedom. So it is, and it is also the price of the safeguard of our rights. We must ever be on the watch, especially when certain people make statements of that kind three thousand miles away, in the hope that no one will ever hear about it in our province. But we did hear about it in the province of Quebec because a former Liberal member, a friend of mine—Liberals can always be counted upon to defend Quebec—sent me the article in question just in time so I could bring it to the attention of the house.

Mr. Langlois (Berthier-Maskinonge-Delanaudiere): That is better than the hon. member for Quebec West (Mr. Dufresne).

Mr. Cannon: Mr. Speaker, members from both sides of the house, including the member for Quebec West, will certainly join me in this strong protest against this denial of the privilege of the French-speaking minority in this house and in the country.

And so, Mr. Speaker, French-speaking members would be penalized for having had enough brains and gumption to learn English. Because they are able to express themselves in the language of the other members of this house, they would be penalized and prevented from speaking their own tongue in this house?

Mr. Dufresne: Besides, French is an official language in this country. Maybe he does not know that.

Mr. Cannon: He probably did not. In any case, we will let him know about it, and French-speaking members of this house will continue, in future, to speak French. Not only will they continue to speak French as they have in the past, but I think they should, in protest against this unwarranted attack, speak French more often than they have up till now.

Mr. Dufresne: You can count on the member for Quebec West.

Mr. Cannon: I wondered if I should continue in English my remarks in connection with the needs of my constituency, but I need not tell you that after such an attack, and to mark my sincere indignation at this attack, I shall speak French.

Mr. Speaker, the people of the Magdalen islands are always in need of federal help in the field of air services. At the present time, for instance, we need a new airfield at House Harbour. Ever since aircraft have been coming to the Magdalen islands, they have been landing on the beach. However, this beach cannot be used as a landing strip.

The weather is at times severe, specially in winter, and when ice accumulates on the beach, aircraft cannot reach the Magdalen islands. In fact, quite often and for long periods of time, our aircraft cannot land on the beach.

Only yesterday, I received a letter from one of my constituents stating that at the time of writing it was a week since the aircraft had come to the Magdalen islands. I point this out to show that we are in need of an airfield in the Magdalen islands. I am happy to tell the house that, before his resignation as minister of transport, the Hon. Lionel Chevrier had agreed to the building of an airstrip at House Harbour. I mentioned this to the Minister of Transport (Mr. Marler) and I am sure that the electors of my constituency of Magdalen islands can count on him to fulfil the promise given to me by his predecessor.

We should not forget, however, that, in order to permit construction of this landing strip, the municipality has to purchase the required land. It had therefore to present a private bill in the Quebec provincial legislature and, as a lawyer, I personally undertook to introduce that bill in the provincial house. I am glad to be able, through you, Mr. Speaker, to tell my constituents that I am assured that the authorities to whom I presented the bill will pass it, and every obstacle will thus be removed.

Mr. Dufresne: With a co-operative provincial government.

Mr. Cannon: In this case, yes. We need something else too, with respect to air com-

munications. At present Magdalen islands enjoy a tri-weekly air service with Charlottetown. However, if we want to travel from Moncton to Quebec city in T.C.A. planes, we have to go via Montreal, because those planes do not go directly to Quebec city. With a delegation from the chamber of commerce of Quebec city, I asked the Minister of Transport and the Minister of Trade and Commerce (Mr. Howe), who have control over T.C.A., that steps be taken to provide us with a direct air service between Quebec city and the islands. I feel that the citizens of Magdalen islands are entitled to direct connections with the capital of their province, without having to detour through Montreal. I will not insist overly on that point since the delegation was well received and I am confident that our request will be granted fairly soon.

We should have a direct air service with Gaspe. At present, when the sick from Magdalen islands have to go to the hospital at Gaspe, they have to travel by way of Charlottetown, Moncton and Matapedia, and then come back to Gaspe. Our need of air transport service in the area is evident. This time I am suggesting to the provincial government that it make a grant to the airline operating at Rimouski, for example, to enable the company to establish an air service linking Magdalen islands more directly with the province of Quebec, of which they are part, as you know.

We also need fishing harbours. For some time, the fish have been going farther and farther away from our shores, and we have to use larger ships to go farther offshore. To use those boats, we need deeper fishing harbours and proper wharves. Two places in my constituency have been brought to my attention: the bay of Portage-du-Cap and the bay of Bassin-aux-Huîtres. In those two bays, water is deep enough and those ships which have a much larger draught than the ones we use now could come in and stay anchored when there are great storms. However, a channel should be dredged to enable the ships to use those bays. I am submitting this request to the Minister of Public Works (Mr. Winters), and I am sure it will receive full attention.

Now I would like to see an extension added to the wharf at Etang-du-Nord and the construction of a slip to serve as a shelter for fishing boats of Ile Brion. The breakwater at Aurigny should also be lengthened.

Mr. Speaker, it was announced in the speech from the throne that supplementary benefits under the Unemployment Insurance Act were to be provided. I am pleased to note this, and I want to thank the government on behalf of my constituents who draw benefits under the act. Unfortunately a great number of my constituents do not benefit therefrom, because the fishing industry does not come under the act.

I have mentioned more than once in this house that the fishermen should benefit from the Unemployment Insurance Act. In England and in the United States fishermen benefit from that act and I cannot see why it should not be the same here in Canada. It is said that there are certain administrative difficulties, but, Mr. Speaker, difficulties are there to be overcome by a good administration. As the Department of Fisheries and the Department of Labour are in charge in this case, I am sure that they will be able to overcome these administrative difficulties.

I would suggest, as a first step, that fishermen drawing wages should be allowed to benefit under the Unemployment Insurance Act. True, a small percentage of fishermen work for wages but their case is particularly difficult from two points of view. First, the personal point of view, since they are the only people working on a salary basis who do not come under the Unemployment Insurance Act and, secondly, from the point of view of their prospective employers. The latter have great difficulty in finding people who will work for wages, since those day-labourers refuse to take up work which deprives them of unemployment insurance benefits. And so, the owner of a fishing vessel who has no grown-up son to help him has a hard time finding helpers. The obvious result of all this is that we have a very valuable natural resource which is very inadequately developed, while if those owners of fishing craft were in a position to employ the men they need, they could bring back a lot more fish.

Now, Mr. Speaker, before going any further, may I ask how much time I have left?

(Text):

Mr. Speaker, may I ask how much time I have left?

Mr. Deputy Speaker: The hon. member's time expires at 4.53.

Mr. Rowe: About 15 seconds.

(Translation):

Mr. Cannon: Mr. Speaker, I had more to say but, as my speaking time is running out, I shall immediately come to a part of my speech which I should not want to omit.

This year will mark the bicentenary of the dispersion of the Acadians in 1755.

I wish to join with the hon. member for Gloucester (Mr. Robichaud) in mentioning this event.

Ninety per cent of my electors in the Magdalen islands are of Acadian descent. They have preserved the customs and traditions of this valiant people. They are hospitable, hard-working and respectful of religious and civic authorities. One of their most touching traditions is their devotion to the Blessed Virgin. Their national day is celebrated on Assumption day and it is truly touching to hear them sing "Ave Maris Stella" at the end of their meetings.

One hears of the miracle of French survival in America, of the remarkable fact that the 60,000 Frenchmen who remained in Canada in 1759 have left millions of descendants who remained faithful to their tongue and to their religious beliefs in this land of America. But I believe that the survival of the Acadians is even more remarkable, more worthy of mention, because they were not only conquered and separated from their mother country, but also dispersed in foreign lands from which the ancestors of the ones now living in Canada came back after overcoming obstacles that would have disheartened men of lesser courage and perseverance.

I join with the hon. member for Gloucester in expressing the wish that, not only the federal government, but also the government of the province of Quebec, will make a substantial contribution to ensure the success of the Acadian celebrations.

(Text):

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, following the pleasant custom which obtains in this house I would like to begin by congratulating the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne, and by expressing the hope that they did not feel as apprehensive about their maiden speeches as I did about mine. Why we should feel so apprehensive I am not quite sure. It is not the custom to hang on our words. It is not because there are surging crowds waiting to hear what we say. But there is something about the first speech in this house which has an alarming effect, and I hope they came through with less wear and tear than I did.

Being of a pacific turn of mind and fearing that during the long recess I might lose whatever offensive spirit I have, I decided it would be a good thing to take the Winnipeg *Free Press* daily in order to keep myself alive, shall I say, to irritating things. I was greatly interested when I got the issue of October 4 to read the first editorial, which began "Mr. Drew is right and Mr. St. Laurent is wrong". I thought this surely was "something for the book". I read further and found that the issue on which Mr. Drew was right and Mr. St. Laurent was wrong was on the time of the meeting of parliament. I shall read briefly from the editorial.

> Mr. Drew is right and Mr. St. Laurent is wrong about the time for parliament to meet.

Later it continues:

> By starting the session next month, ministers would from their point of view merely be giving themselves more work sooner; and they would risk grumbles from their back-bench supporters, many of whom probably prefer to stay at home and tend to local political fences or other business.
>
> To state these motives should be enough to make the government change its mind. They are poor motives.

The *Free Press* goes on to use words which are interesting and I think sound a little bit surprising if we reflect on what actually takes place:

> The business of a parliamentary government, under our constitution, is to govern through parliament, subject to the public discussion for which parliament is the only satisfactory focus.

Let us consider what has happened in the light of these words. We have had six months' recess, six months during which matters of tremendous importance came up, six months when parliament was ignored. The *Free Press* goes on to make the point that there were vital issues:

> There are plenty of issues—foreign policy in both Europe and the east, the seaway, foreign trade, the state of business at home, employment prospects, labour relations, immigration, parliament's own procedures—

And so on. I stress again that what has happened is an almost complete negation of this principle. It is a kind of erosion of parliamentary rights. If we look at it clearly it is really a conspiracy against the principles of our constitution, and the *Free Press* is quite correct in what it states.

We are told there is to be a further invasion of the rights of the minority. We are told that the rules are to be amended so that the rights we have had in the past will be drastically cut down. If this is attempted I can only hope that every member of the opposition, to whatever party he belongs, will resist to the utmost. I agree with facilitating the business in a sensible manner, but I think we should be astute to resist strongly anything which savours of merely cutting down the rights of the opposition, and I think we should do our very utmost to make the general public feel how important this is.

It is interesting to observe that even in Britain, which we always recognize as the home of parliamentary democracy, they are beginning to worry about this issue. In a book on parliamentary procedure edited by Campion at page 120 this is stated in an

article by Sir Arthur Salter, who I believe should be regarded as a great parliamentarian:

> Our destiny turns largely, I think, upon our ability, without making the executive impotent or ineffective, to restore the traditions and the authority of parliament so that it can be once more the effective guardian of our liberties.

It so happens that in the motion we have just discussed we have before us crystal clear evidence of the evils which have followed from this six months' recess. In the debate which has just been concluded it was made painfully clear that because there had been no parliamentary discussion the public had not been educated, and the field had been left open to the most insidious propaganda.

I shall not take up the time of the house to dwell on that, but it must be clear to all of us. We might even have voted unanimously on that resolution if it had not been for the fact that a great many people were undoubtedly led away by this propaganda. It was quite within the truth for members to say that many in Canada were not in favour of the resolution. That is quite true, but it need not have been nearly so true if parliament had been in session last autumn.

As regards unemployment, it has already been mentioned that the measure of relief which we passed since the house came together has been delayed for months because this house was not in session and the unemployed have suffered accordingly.

A most important matter which has not been discussed and which could have been discussed before Christmas, and could be even now if there were any desire to do so, is the question of the commonwealth conference. With respect to this we have been denied any discussion, and we have been denied any information. A pamphlet issued the other day by the Canadian Institute of International Affairs says: "As the date for the commonwealth conference on January 31 approaches there is a deepening silence on the plans and prospects, and some of the prospects seem to be clouded in an almost surreptitious air".

I think that is a fair statement. It is almost as though the government wished no one to know about it. The attitude of the Prime Minister (Mr. St. Laurent) on this matter has been perfectly astonishing. I would like to read a brief extract from what the Prime Minister said, as reported at page 34 of *Hansard* of January 10, in answer to the suggestion that there might be a discussion on trade with regard to the commonwealth conference. He said:

> Those are not things which can be achieved by agreement between any two individuals. They are things that must be the result of the operation of economic factors that depend upon a multiplicity of different shaping trends.

There may be some truth in that, but surely we would also say that these events have to be shaped by the actions of men in public life.

There has recently been a certain amount of information emanating from Great Britain as to what is taking place. In the Ottawa *Journal* of January 22 there appeared in a Reuters dispatch the following:

> Full sessions of the commonwealth meetings presided over by Prime Minister Churchill will be devoted mainly to international affairs and a review of the prospects for peaceful east-west coexistence. Other topics to be discussed at the full sessions are the economic, financial and trading problems of the sterling area, to which all of the commonwealth countries except Canada belong.

We now find that this meeting is going to take place, and that we are to know nothing about it. It was suggested that there might be an opportunity for discussion here. At one stage the Prime Minister almost seemed to go along with that suggestion, but no action has been taken with respect to it. I wish to point out that on a previous occasion, in the year 1930, when a former prime minister went to London, a completely different practice was followed. There is a certain similarity about the situation we were facing then and that which we are facing now. The sale of wheat was in question then as it is in question now. As reported at page 600 of *Hansard* for the special session of 1930, Mr. Bennett said:

> During the last week I have communicated also with western premiers and indicated that it was thought desirable that those who might be able to speak with some authority in connection with the great wheat branch of our industry should be represented. It is thought perhaps Mr. McPhail, who represents the pools of the three prairie provinces . . . Professor Swanson, of Saskatchewan university, and Mr. John I. Macfarlane , , , should proceed to London at this time.

Then he adds:

> The gentlemen I have named, who are specialists in their lines of business, will be able to speak with some definite authority in connection with these matters, not only in London but on the continent of Europe.

Mr. Speaker, compare that situation with what we have here, naught but impenetrable mystery. Our commonwealth relations can be more important than ever because, if GATT fails, we may be back in a trading

situation where the whole relation of the commonwealth will assume an importance it has not had for years.

We have got past the time when people are ready to write off the commonwealth as a second-class association of nations. Not only did the commonwealth save the world in 1914 and in 1940, but last summer we had Sir Anthony Eden coming to the rescue of a distracted Europe. Again we owe it to the commonwealth, and in this case particularly to the United Kingdom, that the situation was restored. There is now no talk about Britain being a second-class power.

When we look at the commonwealth, we see that it spans the world. It bridges the gap between east and west. India is to come to the commonwealth conference; India, which can have such a great influence on the east as well as on the west. India is most important. We remember the help which India was able to give in the Korean matter when it came to the question of the truce. We remember that while the southeast Asia treaty organization —SEATO as we call it—is in the course of development, India can be of great help there.

Happily the fear of colonialism—the almost inferiority complex—that we used to find occasionally in Canada is entirely a thing of the past. Owing to the work of Sir Robert Borden and those who followed him our autonomous position is well understood. It had its beginning with the signing of the peace treaty in 1919. We have gone on and established it, so there is now no question whatever as to our position.

Trade organization in the commonwealth can also be of great importance. The Minister of Trade and Commerce has warned us that GATT is in danger. We are not accustomed to regard the Minister of Trade and Commerce as a prophet of evil. He is the professional optimist usually. When he tells us that GATT is in danger, we should believe it is in danger. Yet at this time the Prime Minister goes off without any mandate and without telling us anything about what he is going to do, having refused to entertain any suggestion of discussion.

What a world of difference there is between the situation as it is and the situation as it might have been. What we should have had is a vigorous approach to the question from our own point of view, so that instead of leaving trends to shape themselves we should have had vigorous statesmen shaping the trends. After all, years ago in this country there was a great trend to the United States in our economic development, but we decided that we wished to be ourselves, and by strength of statesmanship events were moulded to that end.

This time are we going to be merely an onlooker? Are we going to do what we were reported to have done at Colombo, namely be a kind of friendly gadfly? It does not seem to me to make sense. Yet so far as we can discover from the Prime Minister there is no reason to believe that our Department of Trade and Commerce has taken an active interest in this forthcoming conference. The communication apparently has been, according to the Prime Minister's statement, purely between the external affairs department and, in London, the commonwealth relations department.

Are the Canadian people too juvenile to be consulted about this matter? Are their representatives too unworthy to be allowed to express their views? The news we have from England indicating that the sterling bloc members of the commonwealth are going to discuss their trade relationships makes us keener than ever to take a prepared part in the conference, but we have seemed to have little interest in it in spite of our vast moral and material resources. By maintaining this strange detachment I would fear that we may have far less influence than we might otherwise have. You get out of anything only what you put into it. If we have not prepared carefully and thoroughly, what can we expect from this hesitating, mysterious, unco-operative and unexpectant attitude? As I say, we may get only what we put into it. How can we expect results to accrue when we seemingly have so little to put into it ourselves?

Mr. Pickersgill: Would the hon. member permit me to ask one question?

Mr. Macdonnell: Yes.

Mr. Pickersgill: Does the hon. member really consider it unco-operative for the Prime Minister to go off for two weeks at the very beginning of what is going to be an extremely busy and difficult session of parliament in order to take part in this conference?

Mr. Macdonnell: What I am complaining about is that the Prime Minister will have gone off having completely neglected parliament; having refused to allow parliament to discuss the matter at all; having refused to give it the slightest indication of what his own attitude is to be. Having appeared earlier in the session to get near the stage where he was going to allow discussion, he then entirely backed away from that position. That is what I complain about.

Mr. Harris: What is this debate for, except for hon. members to express their opinions about things?

Mr. Macdonnell: I am suggesting that we might have had a debate on this subject.

Mr. Harris: You are free to do so.

Mr. Macdonnell: The Prime Minister has not granted it. That is what I am complaining of.

I now come back to consider the question of, as I say, the neglect of parliament. I refer to the *Free Press* which speaks about the ministers not wanting "more work sooner".

I ask what the ministers have been doing. It is interesting to follow the Minister of Citizenship and Immigration (Mr. Pickersgill). He has been down in his constituency. It is a good thing sometimes to let your constituents see you. He gave a charming picture to the Rotary club, I think it was, in St. John's, of a pleasant political family party which they had in Newfoundland. According to the St. John's press:

> He gave full credit to Premier Smallwood for his decision to enter the political field. He had not the remotest intention of entering it until the premier persuaded him to do so. One of his constituents remarked that while it was nice to see Mr. Pickersgill visit his riding, he might as well have stayed in Ottawa. He would be elected anyway if Joey supported him.

That is an extremely pleasant relationship.

Mr. Pickersgill: May I make just a slight correction? What he said was: "so long as you are Joey's man".

Mr. Macdonnell: That is even more interesting. I was going to say that one was delighted to see this picture of personal relations at the dominion-provincial level, and I wondered whether there were perhaps equally intimate and pleasant relations between other members of the cabinet and other provincial premiers. However, I will leave that particular point just there.

Mr. Harkness: Pocket borough, Canadian style.

Mr. Macdonnell: I must say it is very interesting to hear the minister describe himself as "Joey's man"; nevertheless—

Mr. Murphy (Lambton West): It is a wonder he did not say "Joey's boy".

Mr. Pickersgill: Mr. Speaker, I do not like to interrupt the hon. gentleman, but the hon. member for Eglinton (Mr. Fleming) interrupted and said something about a pocket borough.

Mr. Fleming: No, I did not. Mr. Speaker, I said no such thing.

Mr. Pickersgill: I beg the hon. member's pardon. It was the hon. member for Calgary North (Mr. Harkness). I just thought the house ought to know that the opposition had a Conservative candidate in my riding, and since the election he has joined the C.C.F.

Mr. Harkness: Mr. Speaker, the hon. member did not hear me. I said, "pocket borough, Canadian style", and I meant "pocket".

Mr. Macdonnell: May I go on now, Mr. Speaker? I am able to qualify the statement the minister made in St. John's because I followed him farther west, and in Manitoba he divided the credit for his being in the house. He said it was because Prime Minister St. Laurent was prime minister that he was in public life, and that he would not have accepted the career under other circumstances. When I read that I could not help wondering whether the former prime minister, if he by chance interests himself in the small affairs that go on in this house, might have thought that perhaps he could have done the persuading job himself if he had got around to it, but after all that is something we will never know.

I had hoped also to follow the Minister of Agriculture (Mr. Gardiner), but he is not here today and therefore I do not think I shall. We are all delighted that the minister is back addressing the house in his ringing tones and nursing his glass of water. I often wonder what the minister would be like if instead of a glass of water he had what the great Disraeli used to have, a glass of gin; what the tones of the Minister of Agriculture would be like if in fact he were permitted to have gin instead of water. I can only imagine; but in any event I am sure it is water.

Mr. Harris: None of you would be elected.

Mr. Macdonnell: I should like to say a word about the Minister of Trade and Commerce (Mr. Howe), though he is not here either. We are all delighted that he was honoured by the medal which was given to him for his services to aeronautics. I always like to think of the minister as a strong, silent man. I like to think of him as coming into his office in the morning, selling 10 or 12 million bushels of wheat, going on to build two or three pipe lines, then perhaps buying some super aeroplanes for Trans-Canada Air Lines before lunch, and then coming in here and telling us how foolish anybody is who thinks there is the slightest flaw of any kind in the ministry of trade and commerce.

I like to think of him that way, but that is not the whole story of the minister. During the course of the autumn when speaking somewhere he mentioned that at that time

he had 11 speeches facing him which he was to deliver. So we can see that ministers are not entirely tied to their desks while we are away. They do get around a bit, and it is difficult for them, of course, to have us here. I am sure that life is much easier for them when they keep us away, and it will need all our efforts to make them change that attitude.

My time runs on, Mr. Speaker, and I want to stay well within my time today. I want to say a word about unemployment. If you read the speech from the throne carefully you will find that unemployment is mentioned. It says:

> Some unemployment of a regional and seasonal nature is being experienced.

These words should not have been put into the mouth of the Governor General. They are so unequal to the situation that they might have choked him. In a narrow sense I suppose everything is seasonal and regional. I would imagine, for example, that the people of the maritimes would be very ready indeed to agree that there is regional unemployment down there far worse than in most of the rest of the country.

I am going to deal with this matter very briefly by making one comparison. I have here figures showing unemployment in Great Britain during 1954, and I shall refer to them very briefly. In January, for example, unemployment in Britain was 1·6 per cent. In Canada unemployment of unplaced applicants amounted to 10 per cent, and of persons without jobs and seeking work amounted to 5 per cent. I shall not put the whole statement on record. It is taken from a recent number of the London *Economist*, and shows that our percentages of unplaced applicants are roughly five times greater than the percentage of British unemployed, and our percentage of persons with jobs and seeking work is roughly three times greater.

That seems to me a very poor record for us to show. After all, Britain has only her skills to sell and we have not only our skills, of which we are so fond of talking, but natural resources in a big way. Our unemployment would have been much worse if it had not been for the fortunate speeding up in the base metals last year.

What is the government's attitude in the face of this situation? There are really three schools of thought. There is first of all the Minister of Trade and Commerce who, speaking of unemployment in the neighbourhood of 200,000, said he thought that was getting down to the "hard core" of unemployment. It will not be very comforting to the people unemployed to know that they form part of the hard core. In other words the situation is really taken almost as normal. Then we have two different attitudes taken by the Prime Minister. The first is what one might call the attitude of unlimited liability. The Prime Minister is reported to have said in September:

> We have a country where there should be work for everybody and if we are not smart enough to organize the economy of the nation to provide work for everybody we are incompetent.

That is a strong statement, but the Prime Minister made it; and certainly on the basis of that statement there is every evidence that they are incompetent at the present time. There is another approach which the Prime Minister took the other day and which one might describe as the "let nature take its course" approach. After agreeing in his speech on the address that unemployment is deplorable and expressing small faith in expenditures on public undertakings—how different from the shelf of projects we used to hear about—he said, as found at page 33 of *Hansard* of January 10:

> What is required is something that stimulates the economy generally and does not to any unnecessary degree interfere with the display by our Canadian citizens of their own initiative and skills.

There you have three different views. "You pays your money and you takes your choice". Surely we can fairly expect the government to help reduce unemployment by creating a climate favourable for business, and in particular to do something in the way of decreasing taxes. I shall also have something to say later on the failure to economize. I should like to say in passing that it is still extraordinarily unsatisfactory to have two entirely different unemployment returns, one from the Department of Labour and the other from the Department of Trade and Commerce.

Unemployment is of course closely associated with overseas trade, and I wish to say a word at this point about GATT. The Minister of Trade and Commerce told us the other day that GATT was going badly, and according to the Winnipeg *Free Press* when the minister uses any but the words of optimism we should treat them very seriously indeed. The *Free Press* of December 29 last contains the following:

> Few things in Canadian politics or business are more stable than the optimism of Mr. C. D. Howe. No one expects him ever to talk gloomily. And Mr. Howe is not quite a Cleopatra; custom has somewhat staled the variety of his ways of looking on the bright side.

Later in the paragraph it says, after commenting on his outlook for the year:

> And his restraint about next year may therefore be read almost like a cry of despair . . .

Now I want to come to GATT. I want to remind the house that we in this party welcomed GATT, and supported it. As we look back over seven years we realize that GATT has made a substantial contribution to the creation of a world in which goods move with some degree of freedom, the kind of world in which an exporting country like Canada can prosper.

It is true that we have had to take the bitter with the sweet. It is true that of late there seems to have been more bitter and less sweet, especially in our relations with the United States. The sweet has been in what I have indicated; that is, that GATT, particularly in its early years, did do something to create that kind of world in which an exporting country can prosper. But we have found more and more evidence, as time has gone on, that the escape clauses lurking in GATT have been used more and more, particularly by the United States; that it has played false to its own child by running away from the spirit of GATT.

Canada, on the other hand, has supported it and has had an almost unique record. We must face the fact that in our support of GATT we have injured some of our own people. I feel it is reasonable to hope that our negotiators will take a firm stand in the matter of these escape clauses. I hope we shall not get, as the Minister of Trade and Commerce seemed to indicate the other day he expected, a weaker agreement. There is one encouraging sign. There is a sign that a less restrictive trade policy may be adopted by the United States. Unfortunately that is in the government area, and perhaps has not yet reached congress itself.

I want to say a word about economy. But first I want to say just a word about the speech delivered in Montreal by the Minister of Finance. There are two schools of thought on this speech, as set out in the *Free Press*. One is what you might call the barefoot boy school, which would indicate that the minister went down to Montreal and talked out of turn because he did not quite understand what he was saying. I do not subscribe to that school. The other school of thought, also expressed in the *Free Press,* is that he did not say anything at all; he just said what any reasonable man would say. I do not subscribe to that school, either, because I think it is true the minister did raise hopes of a reduction in taxes. I want to say that while the speech, whatever else it was, was good, clean fun, taxation is a dreadfully serious business to a lot of people. I feel it is not really the proper place at all for fun.

There has been much talk in this house of economy. We were told by the ex-minister of finance that the duties of a minister of finance consist largely of a continuous search for economies, and that the effort to achieve economy and efficiency is never relaxed. In the light of that, Mr. Speaker, I want to read a statement in the Winnipeg *Free Press,* from its Ottawa correspondent. I ought to be very grateful to the Winnipeg *Free Press* for helping me so much with this speech. I want to read what he has to say about the government efforts at economy. It is an astonishing statement. It reads:

> Careful study of the federal civil service indicated that the cause of the hitherto uncontrollable growth was simple. Whenever there was a need for expansion, the departments expanded. They did not search within themselves for surplus personnel and meet the need for expansion by making better use of their existing staff. They invariably added to it.
>
> To illustrate: if a bridge is built across the St. Lawrence, there would have to be a customs house at the Canadian end of it, staffed by customs and immigration officers. The opening of the bridge would greatly reduce the number of people entering the country by ferries. But instead of transferring men from the ferry ports to the bridge, the tendency would be to add to the payroll by appointing additional staff at the bridge.

Mr. Pickersgill: Would that not depend on whether the ferry was still there?

Mr. Macdonnell: I am reading from the *Free Press.* The article continues at another point:

> Hitherto, the treasury board has only dealt with proposals for increases. There has never been, until now, a consistent effort made to employ the existing staff more efficiently or to reduce the civil service.

That seems to me to be a most astounding statement. If private enterprise were run in that way it would not last any time. There are two great evils in it. It not only wastes the money of the people, but it wastes the efforts of the civil servants. If this report is correct, and it is written by a man who certainly does not go out of his way to criticize the government, we are not only wasting money but we are wasting the efforts of civil servants because good new jobs are not going, as they should, to the men presently in the service.

The writer says the present Minister of Finance is turning tough, and things are going to be better. This leads me to bring to your attention, Mr. Speaker, a cartoon in the Winnipeg *Free Press.* It depicts the Minister of Finance as Hercules, and a very fine Hercules he makes. It depicts the civil service as the many headed serpent known in mythology as Hydra. The minister is wielding his sword and has just cut off the head of the Department of Justice, shown as quite small, but that is the only one. I do not

know why the Department of Justice has had its head cut off. Perhaps it is because it does not spend much. This one head has been cut off and is on the ground. But the Department of External Affairs with three heads, reaching up very high; the Department of Transport with three heads and the Department of Agriculture with one enormous head, are depicted as having their heads still in place. Up to the moment, therefore, the minister has made very little progress, according to this cartoon. According to the fable, as some hon. members may know, in the end Hercules did kill the Hydra. I am not able to tell you how many years he took to do it.

I have tried to suggest to you, Mr. Speaker, that we have had a very unsatisfactory opening this session; that it is quite clear that much has been lost by the long delay; that the unemployment situation is entirely unsatisfactory and that the government took two or three different attitudes but pursued none with any vigour; and finally, that in the realm of economy we have this fantastic situation which I have disclosed to you by reading the extract from the *Free Press*. For these reasons, Mr. Speaker, I shall vote for the amendment with enthusiasm.

(Translation):

Mr. R. E. Reinke (Hamilton South): Mr. Speaker, on the very day the session opened, the member for Verdun (Mr. Leduc) moved the address in reply to the speech from the throne. In an admirable speech, which we listened to with the greatest attention, he, among other things, asked Providence to grant us peace, happiness and justice. Even though this is no easy task, as far as I am concerned, I do wish to congratulate him in his own tongue on what he said and on the way in which he said it, even though, hearing me, he might have some trouble recognizing the lovely tongue of Racine and Molière.

(Text):

Now, Mr. Speaker, having congratulated the mover (Mr. Leduc) in his own tongue, I shall now revert to my own. I have too much respect for the French language to continue murdering it for another half hour or so. I should like to extend congratulations also to the seconder (Mr. Carrick). While I know this is customary, I do it with sincerity, not of course suggesting that those hon. members who spoke before me were not sincere. But I can assure hon. members that I have very carefully read their speeches, and appreciate the thoughtfulness and eloquence of each speaker.

Although I had the privilege of piloting through this house at the last session of parliament, on behalf of my friends of Slovak origin, a bill to incorporate the Canadian Slovak League, I still consider this to be my maiden speech, and that being so I should like to refer briefly to my constituency of Hamilton South.

There is no doubt in my mind that you, sir, and other hon. members have heard of that garden spot of Canada and the hub of Canada's industry, the city of Hamilton. If you have not, it is no fault of my friend the hon. member for Hamilton East (Mr. Ross), who has sat in this house since 1940 constantly extolling the virtues of this wonderful city. Hamilton has a population of approximately 220,000 people. The riding of Hamilton South was first established at the last redistribution of parliamentary seats, and I have the honour and privilege of being its first member. On the escarpment rising some 250 feet above the level of lake Ontario, which we call our mountain, we find a city within a city of approximately 40,000 people. From this vantage point we can look out over all that part of the city lying below with its fine residential sections, commerce and heavy industry. Then farther to the north one may view Hamilton harbour, which ranked second only to Montreal in tonnage shipped in 1953 and third to Montreal and Vancouver in tonnage shipped in 1954. Finally farther north are the Burlington canal and the blue waters of lake Ontario, and on a clear day we can see Toronto about 30 miles in the distance.

This mountain portion of the riding comprises about one-third of the population. The other two-thirds begin at the foothills and reach from Hamilton bay. In this portion you find residential and commercial sections, and near the bay front we have such well-known firms as Canadian Westinghouse, Dominion Foundries and Steel, C.I.L., National Steel Car, Firestone and others too numerous to mention.

You will realize from my description of the industries there, Mr. Speaker, that our prosperity depends upon the existence of many industries which employ thousands of people. Hamilton is a workingman's city. It is gratifying to know that Canada is governed by a party that appreciates the cause of the workingman, just as I do, having been associated with the steel industry for a number of years. I am proud that our government enacts legislation with a view to improving the conditions of the people as a whole, giving them security, improving their health and living conditions, not infringing upon their right to be free citizens nor infringing on the system of free enterprise which is part of our democratic way of life.

Although no reference was made to a tax reduction in the speech from the throne, we shall all look forward to the day when reductions can be made safely. Up to the present

time there has been no final agreement on the Korean issue. Our preparedness program must go on to act as a deterrent against communist aggression or until that ominous cloud which hangs over our head has been dispelled. The Canadian people would want to pay taxes, knowing that any reduction would have to come from our defence budget, which consumes nearly 50 per cent of our tax dollar, or from our welfare program which accounts for approximately 25 per cent of our budget.

My congratulations, sir, go to the government for the fine start we have made on the St. Lawrence seaway. The appointment of such a capable man as the Hon. Lionel Chevrier to head that authority is to be commended. In passing, I would like to pay my respects to the late Robert Saunders, who was the chairman of the Ontario Hydro Electric Power Commission. I am sure the St. Lawrence seaway power authority will miss his help during the days ahead. We are proud to live in Hamilton. The completion of the seaway will further strengthen our prosperity and renew activity to build up our wonderful land-locked harbour.

Although the legislation was passed at the last session, I am happy to make reference to the change in the Unemployment Insurance Act which permits the payment of benefits to those who become ill while unemployed. Many of my constituents had advocated that this legislation should be introduced, and were very pleased to learn of its adoption by this parliament. My friends in Hamilton representing labour will be pleased to know that the representations that were made to us in Ottawa last year did not fall on deaf ears. Responsible groups asked for an increase in the scale and duration of winter benefits, which measure has already passed this house this session. In addition local governments, labour and other agencies have asked for greater financial support to assist unemployed workers. I am pleased that our government will take action on this matter through an amendment to the Unemployment Insurance Act.

A great deal has been said in this house about unemployment. The Acting Leader of the Opposition (Mr. Rowe), that great prophet of gloom, has said that before 60 days have passed 600,000 people will be unemployed in this country. The hon. member for Winnipeg North Centre (Mr. Knowles) said in his speech, at page 93 of *Hansard*:

> We are in tremendous need of the production of wealth to provide an adequate base for a proper, full-fledged social security program.

I am wondering what the hon. member referred to. Did he mean that the Bank of Canada printing presses should put on an extra shift at the mint? Then the hon. member for Macleod (Mr. Hansell) said, at page 315 of *Hansard*:

> I am positive that those who sit on the treasury benches today know that the big problem is to equate consuming power with producing power. If there is an equation of production with consumption in terms of purchasing power and prices you will have no difficulty, and you will solve the very grievous problems that are facing the people of Canada today.

I do not think Einstein himself could have given us a more comprehensive statement than that. "Equate consuming power with producing power." There again I am wondering what the hon. member has in mind.

I could go on quoting speeches made by hon. members of all the opposition parties. "Blast our way into world markets." "Injurious fiscal policies." "Waste and extravagance." In all these speeches I have listened to I have not heard any good, constructive advice. Their one hand does not know what the other hand is doing. They compliment the government on the public works program, the building of the causeway to Cape Breton island, the removal of Ripple Rock, the St. Lawrence seaway development; then in the next breath they suggest that taxes are choking industry and the workers of this country.

Responsible labour, or the people of Canada in general, are not advocating tax reductions. All they ask is the chance to earn a decent living. All they ask is that when taxes are levied everyone should pay his or her rightful share. I am sure the opposition would not suggest cutting the corporation tax on profits which is close to 50 per cent, and raise the tax on the smaller wage earner. I am sure they would not suggest cutting the excise tax at the expense of the small wage earner.

I hold in my hand a clipping from the Hamilton *Spectator* of January 22, 1955. In it I find that those seeking work in Hamilton numbered 11,361 men and 3,902 women. A year ago the figures were 8,652 men and 3,410 women. There is an increase; but the total claims paid for men and women are less than 100 higher than in the same period a year ago. As the Prime Minister explained, there is no cure-all for unemployment; but everything possible must be done to relieve the situation. I refer to another clipping from the *Globe and Mail* of January 24, in which the hon. member for Eglinton (Mr. Fleming) is reported as having said:

> Is it any wonder that the government offers no adequate proposals to meet the problem of unemployment when they know and care so little about it?

If that is not an irresponsible statement I do not know what it is, to suggest that this government knows and cares little about unemployment. It is entirely untrue. The

British North America Act leaves responsibility for welfare with the provinces. After all, the federal government must consider the needs of all ten provinces. It is a provincial responsibility to heed requests made by municipal governments and welfare agencies. I do believe that the responsibility of this government is to reinforce the ability of the provinces to meet their constitutional responsibilities. The provinces must develop public assistance for those in need who are not covered by other measures. Our responsibility is to assist the provinces by helping them pay for the cost of administering these measures.

I am pleased that it is proposed in the speech from the throne to ask parliament to consider amendments to the Blind Persons Act to lower the age of eligibility and raise income ceilings. While this measure will not entail too heavy a burden upon the taxpayers of this country, nevertheless it will be a godsend to those seriously handicapped people. I am looking forward to the day when the means test will be removed entirely. Its removal would not be too much of a burden, as the recipients of this pension number somewhat less than 8,300.

I was greatly amused to hear the hon. member for Dufferin-Simcoe, when enumerating these proposals by the government in the speech from the throne, giving credit to each of his colleagues in turn. He suggested that at last the government had heeded the pleas of the hon. member for Royal (Mr. Brooks) regarding war veterans allowances. I would like my hon. friend to know that all of us to your right, Mr. Speaker, have advocated amendments to the War Veterans Allowance Act to raise the basic rates as well as the ceiling on permissible incomes of recipients. I have made several personal appeals to the Minister of Veterans Affairs (Mr. Lapointe), as have my colleagues.

I think the Prime Minister (Mr. St. Laurent) was right when he suggested that it was more important to the health of the Canadian economy to have things done, rather than to discuss in the House of Commons who was the promoter. However, there is no group more deserving than these burnt-out pensioners. I am sure they received the news with much rejoicing.

I should like now to refer to the last clause of the amendment offered by the official opposition. It is as follows:

> (f) in co-operation with the provinces to develop an effective contributory plan which will assure that every Canadian will have adequate hospital and medical services.

I am quick to admit it would be very difficult not to support an amendment of this type. I personally will rejoice the day a workable health insurance plan is introduced in this House of Commons. Most hon. members on this side will support such a plan; and you may rest assured that when health insurance legislation is introduced and presented, it will be by a Liberal government. When the late Right Hon. Mackenzie King, as prime minister of Canada, announced the beginning of the health program in 1948, he indicated that before health insurance could be established on an adequate basis another development would be essential. He was referring to a nation-wide health program. Let us then glance at the picture after six years of operation.

Since the inauguration of the national health program in 1948, no less than 650 individual hospital construction projects have been undertaken. Twenty-five per cent of these are in Ontario. Then, $60 million in federal grants have gone toward hospital construction projects, and have assisted to provide new accommodation for 61,453 patients. I do not have the figures for 1954, but in 1953 there were 300,000 chest X-ray examinations given to Canadians. I could go on and enumerate specific achievements under the national health program as they affect Canada as a whole; new services established, special drugs provided free of charge, scientific equipment purchased for hospitals and public health units.

I feel it is somewhat significant that of all the moneys allotted under the national health program for Ontario, only a little over one-half has been used by that province. As hon. members know, the province must apply for these grants. As an example, in the six-year period $958,000 was allotted for crippled children, but the province has applied for only $517,440. For professional training in that six-year period $1,233,000 was allotted, but the province has applied for only $831,862. For hospital construction the amount allotted was $23,981,816, and Ontario has applied for $15,024,099. For mental health the amount allotted was $9,789,911 and Ontario has applied for only $5,201,715. So the picture goes, and a similar situation applies in connection with tuberculosis control, public health research, general public health, cancer control and so on.

This is what the national health program has meant to the city of Hamilton:

Hospital construction grant

1. Hamilton General hospital:

A grant of $672,000 was made for the construction of 189 active treatment beds and 322 chronic beds to this existing active treatment hospital.

Mr. Pallett: How big was the grant from Ontario, as well?

Mr. Reinke: I am not suggesting that the province has not helped.

Mr. Fraser (Peterborough): The province gave the same.

Mr. Reinke: To continue with the information I have been giving to show what the national health program has meant for the city of Hamilton in the matter of hospital construction grants:

2. St. Peter's infirmary:

A grant of $132,000 was made for the construction of 88 additional chronic beds to this existing chronic hospital.

3. St. Joseph's hospital:

A grant of $9,500 was made for the construction of 19 additional nurses' beds to the existing nurses' residence of this hospital.

4. Mountain sanatorium:

A grant of $110,961.12 was made for the construction of 64 additional tuberculosis beds and 42 nurses' beds to this existing sanatorium.

5. Norah Frances Henderson hospital:

A grant of approximately $506,000.

Mental health grant

1. Mental health clinic, Hamilton:

Extension of services to this clinic—Expenditure 1948-53, $35,687.65.

2. Assistance to Ontario hospital, Hamilton:

Technical equipment—Expenditure 1949-53, $18,504.48.

Tuberculosis control grant

1. Streptomycin and P.A.S. for all Ontario sanatoria including Mountain sanatoria.

2. Under hospital admission chest X-ray program, X-ray equipment has been purchased for the Hamilton General hospital and St. Joseph's hospital in Hamilton.

3. Chest clinic services were provided through the purchase of equipment for the centre in Hamilton.

4. Technical equipment has been purchased for the Mountain sanatorium. Expenditure 1951-53, $27,597.49.

[Mr. Reinke.]

Research

1. Study of diagnostic procedure at the Mountain sanatorium—Expenditure, 1948-52, $13,413.76.

2. Limnobiological study of Hamilton bay—Expenditure, 1950-53, $13,547.95.

Venereal disease control grant

Maintenance of a clinic at Hamilton.

Crippled children grant

1. Orthopaedic services for crippled children through the employment of a nurse at Hamilton.

2. Cerebral palsy training centre, Hamilton—Expenditure, 1951-53, $19,350.

Professional training grant

Grant to nursing school—Hamilton College—McMaster University—Expenditure, 1949-53, $44,710.30.

General public health grant

1. Equipment for arthritic clinic at Hamilton.

2. Respirators for Hamilton General hospital.

3. Vision-testing services in schools for Hamilton.

Cancer control grant

Maintenance of a cancer clinic at Hamilton General hospital, $39,000 for installation of cobalt 60 beam therapy unit (cobalt bomb).

Mr. Speaker, I wish to commend the Minister of National Health and Welfare for the remarkable achievements he and his department have accomplished. His genuine concern for the health of every Canadian is apparent, and progress has been swift and orderly. I believe Canadians generally realize that this plan has brought us nearer to our objective, the highest possible standard of health for Canadians.

Since the vote on the speech from the throne constitutes a vote of confidence or lack of confidence in the government, this amendment has been introduced to embarrass private members on this side. The opposition know that we on your right, Mr. Speaker, are anxious for national health insurance; but I can assure hon. members of the opposition that we on this side have the utmost confidence in our Prime Minister (Mr. St. Laurent) and his government.

This brings me to a point which I believe should be brought to the attention of the house at this time. On July 27, 1954, I had the privilege of speaking at a rally to which

all ethnic groups had been invited, sponsored by the Ukrainian Canadian committee. It was organized under the slogan "Independence for Ukraine." The object of the manifestation was to inform the public about the underhand work of the Kremlin with respect to the exploitation of the Ukraine and its enslavement. This enslavement has been referred to by other speakers in this house on previous occasions, and reference has been made to the fact that in 1919 the Ukraine, having escaped the czarist yoke, proclaimed a free, independent, and democratic republic. Then the bolshevik government in Moscow declared war, the red army invaded the Ukraine and along with the fifth column succeeded in its conquest.

Then followed the terrible famine of 1932-33, which took about 5 million lives. The Russian communist leaders were responsible for the destruction of Ukrainian science, tradition and learning. Both Ukrainian Orthodox and Catholic churches were destroyed. Priests were imprisoned, subjected to forced labour, or killed. To sum it all up, the Ukraine was "liberated". The truth is that communists first create chaos and prepare the groundwork for a puppet government by international and internal upheavals. That is their method in every country.

However, getting back to my story, the rally was attended by hundreds of Canadian Ukrainians who openly showed their true feelings toward Russia by displaying anti-communist banners. A few weeks later while driving from Hamilton to Toronto through a small town called Palermo I noticed a huge crowd assembled on a large picnic ground. There must have been four to five thousand people. I drove into the grounds, stopped the car, and inquired about the reason for the huge picnic. I was informed that this was a large international Ukrainian picnic, and people had come to it from all parts of Canada and the United States.

In one part of the ground set aside from the actual picnic area I noticed a rather large and impressive looking monument with well kept paths leading up to it, and upon getting closer I found it to be a large bronze statue of a man. There were two inscriptions on the monument, one in English and one in Ukrainian. The one in English read:

"T. Shevchenko—in commemoration of the 60th anniversary of Ukrainians in Canada (1891-1951)".

For the information of hon. members I might mention that Shevchenko was a famous poet of the Ukraine greatly revered by the people and representative of the culture of the day. He is regarded much as Shakespeare is regarded by the English. He was born in 1814 and died in 1861. Then I inquired about the Ukrainian inscription. Normally one would assume the translation would be the same as the English version, but this is how the translation read:

From the Ukrainian Soviet people to Ukrainians in Canada—Kiev 1950.

The English inscription was put there simply to mislead English speaking Canadians. This is nothing new to those who know communists. The monument was not sent to Ukrainians in Canada by the Ukrainian people. It was sent to communists in Canada of the labour progressive party, and was sent by a communist government. The communists have laid claim to the United States poet Walt Whitman and the Scottish poet Robert Burns, as they have with Shevchenko.

As far as the Ukrainian national federation is concerned, it was the first organized body in Canada to fight communists and to draw the attention of Canadians and the Canadian government to the dangers of communism. As a matter of fact Saturday, January 22, was the 36th anniversary of the proclamation of the independence of the Ukraine.

I wish to make it perfectly clear that I am not criticizing that group of loyal Canadians or any other loyal group of Ukrainian or other origin. Nor am I embarking on a crusade of McCarthyism or trying needlessly to alarm this government and the House of Commons. But we do have a situation which requires a great deal of consideration.

This 22-foot bronze and granite monument was sculptured in the Soviet union. For their work the two sculptors each received Stalin awards, one of the highest awards of the Soviet union. This was reported in the Moscow *Literary Gazette* of March 27, 1951. It was forwarded to the national executive committee of the association of united Ukrainian Canadians from the Ukrainian society for cultural relations with foreign countries. These communists own over $1 million in property with 100 assembly halls across Canada, and they operate a $3 million insurance company and a $1 million co-operative. At Palermo they have 18 acres of parkland for rallies, picnics and camping. This is a serious affair.

We are fairly certain that an all-out atomic war with the Soviet union is not imminent. We also know that communism is sworn to world domination. This is what Stalin had to say in "Problems of Leninism" published in Moscow in 1941:

The victory of socialism in one country is not a self-sufficient task. The revolution which has been victorious in one country must regard itself

not as a self-sufficient entity but as an aid, a means for hastening the victory of the proletariat in all countries. For the victory of the revolution in one country, in the present case Russia, is the beginning of, and the groundwork for world revolution.

That is a statement by Stalin himself. How can all this be brought about? Only by affecting small groups here and there, all under innocent sounding names. They speak about the great depression that has hit the United States and Canada. They constantly sow seeds of unrest. They capitalize on unemployment, and they capitalize on the misfortunes of their fellow men. One man in my riding, having received what he felt was unfair treatment at the hands of a government board—not necessarily this government—told me, "I am turning to communism."

Did he know what it meant? I dare say some who are in difficulty due to unfortunate circumstances might be inclined to say "Communism is better than this." But is it? Do they know they will be subservient under communism to the worst possible government domination? Do they know they will not be able to worship as they please? Do they know they can vote only "yes" or "no" for one candidate on the ballot? Do they know they cannot voice opinions against the state or its leaders? Do they know they will read only that which the state allows and listen only to what the state-operated stations broadcast?

In Canada we are spending nearly 50 per cent of our tax dollar on a defence preparedness program to stop aggression. That aggression could come tomorrow or it could come ten years from now. But rest assured it will not come from the free nations, but will come when the communists think it will be to their advantage. This has been stated very clearly in the writings of both Lenin and Stalin. When will they feel they have the advantage? Only when the communists in their insidious way have infiltrated into our governments and societies. I realize we are a long way from that situation now, but let unemployment or hardship spread and this evil would spread with it.

I am not suggesting that we outlaw communism in Canada and by so doing drive communists underground. I am not saying that we should round them all up and send them to their Russian paradise, though sometimes I think it would be better to do so. But I would like to suggest this to the Minister of National Revenue (Mr. McCann), whose duty it is to administer the Canadian Broadcasting Corporation, and the Minister of Citizenship and Immigration (Mr. Pickersgill), whose department is responsible for the national film board and for the education of new Canadians in some aspects. Could we not provide money in our budgets to bring to the attention of the Canadian people the purpose, effects and results of communism? Surely if we can spend $2 billion for the defence of our democracy, we can spend some money for preventive purposes. The Ontario Hydro Electric Power Commission, which now employs 104 persons in a public relations department, has a budget of $996,314 to keep the public informed.

Mr. Knowles: Six o'clock.

Mr. Reinke: With your indulgence, Mr. Speaker, I shall be through in a matter of one minute, probably.

Mr. Deputy Speaker: Has the hon. member leave to proceed?

Some hon. Members: Agreed.

Mr. Reinke: I am not criticizing or condoning this expenditure, but how much more important it would be to remind Canadians to guard their freedom. Under our democratic freedom you are at liberty to come and go as you please; there is no iron curtain. Freedom is like a bag of sand. If there is a hole anywhere in the bag, all the freedom will run out.

On motion of Mr. Holowach the debate was adjourned.

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

HOUSE OF COMMONS

Thursday, January 27, 1955

The house met at 2.30 p.m.

BRITISH COMMONWEALTH

PERSONNEL OF DELEGATION TO CONFERENCE OF PRIME MINISTERS

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, hon. members will know that I am proposing to leave tomorrow for London to attend the meeting of commonwealth prime ministers. As I have said previously in the house, this meeting will give an opportunity for an exchange of views on some very important questions, and it underlines the value of the commonwealth association as a medium for such exchanges. In turn these exchanges will make possible, I hope, more effective policies and actions for the attainment in our respective countries of the objectives of peace and greater human welfare which are basic for all the peoples of the commonwealth.

At this particular meeting questions of foreign affairs, and more particularly those concerned with Far Eastern matters, will occupy a great deal of attention. Recent developments in the Far East have underlined the seriousness of these issues. Because of that, and after certain messages to and from London, I have decided to ask my colleague the Secretary of State for External Affairs (Mr. Pearson) to accompany me to this conference. Of course it will be possible for him to return to Ottawa before the end of the conference if the situation here should appear to make that desirable.

As is customary I will also be attended at these meetings by the high commissioner for Canada in London. The under-secretary of state for external affairs, Mr. Leger, will be one of our advisers. I had hoped to include Mr. R. B. Bryce, the secretary to the cabinet, in that capacity, but because of his regrettable illness his place will be taken by Mr. Ross Martin, assistant secretary to the cabinet.

On economic matters we will be in close touch with our top economic advisers who are now attending the GATT meetings in Geneva, and it will not be difficult to have at least one of them join us in London when we reach the stage in the London meetings where we are dealing with that aspect of the agenda.

Hon. W. Earl Rowe (Acting Leader of the Opposition): Mr. Speaker, in view of the statement made by the Prime Minister I should like to ask him if he expects to discuss trade matters at this conference. Perhaps he might include the right hon. Minister of Trade and Commerce (Mr. Howe) in his party.

Mr. St. Laurent: I should like to include all my colleagues in the house, but it so happens that that is not possible. In view of recent developments I would expect that much of our time will be taken up with a discussion of the international situation which we all look upon as being quite grave at this time. All of us appreciate the opportunity of taking counsel together as to what might best serve the interests of peace in the world.

The conference was not intended originally to operate as a continuation of the economic conference of two or three years ago, but I expect that that aspect of the world situation will also be under review. After the agenda has been settled at the first meeting we will know what time will be available for the consideration of that aspect of our affairs.

Mr. Rowe: Is no one from the Department of Trade and Commerce going?

Mr. St. Laurent: Top advisers of the departments of trade and commerce and finance, Mr. Mitchell Sharp and Mr. Plumptre, are already overseas.

Mr. Fraser (Peterborough): Are you taking a member of the opposition also?

An hon. Member: Are you available?

Mr. St. Laurent: I am sure that might be quite helpful, but it has not yet become one of the traditions of these conferences between governments.

LABOUR CONDITIONS

REPORTED QUESTION OF VALIDITY OF FEDERAL LABOUR CODE

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Labour. Has the attention of the minister been drawn to press dispatches reporting that questions have been raised as to the validity of the federal labour

code, and in view of that would he be prepared to report to this house the progress which has been made with respect to the revision of labour legislation which, he advised a committee, was under consideration two years ago?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I would like to take that question under consideration and make a report to the house in due course.

REPORTED LAY-OFFS IN AIRCRAFT INDUSTRY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Has the government received protests from labour bodies in Winnipeg concerning lay-offs in the aircraft industry, and also concerning reports that a large number of employees in this industry will be laid off soon, including a large number to be laid off by Trans-Canada Air Lines? Will the minister make a statement on this matter, and can he assure the workers affected that the reported lay-offs will not take place?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the answer is yes; representations have been received from Winnipeg. With regard to MacDonald Brothers Aircraft Limited, by January 31 MacDonald Brothers will have laid off approximately 100 people. Some two-thirds of the lay-off has resulted from cutbacks in the turbo department which supplies parts to A.V. Roe. A further slight reduction will take place in February or March, after which we expect that employment will be reasonably steady for the next year.

With regard to Trans-Canada Air Lines, may I say that T.C.A. now employs some 632 people in maintenance work for the R.C.A.F. By late summer this work is to be transferred back to the services. In other words the R.C.A.F. intends to do its own maintenance work. In the meantime the Viscount program is expected to employ some 300 additional men at Winnipeg. Therefore the total lay-off between now and next June should be of the order of 332 people.

POST OFFICE DEPARTMENT

REFERENCE TO ACCUSATIONS AGAINST DEPUTY POSTMASTER GENERAL

On the orders of the day:

Mr. Leon Balcer (Three Rivers): Mr. Speaker, I should like to ask the Postmaster General whether he is now in a position to make a statement about the accusations made against the deputy postmaster general by the hon. member for St. Boniface (Mr. Viau)?

Hon. Alcide Cote (Postmaster General): Mr. Speaker, I have completed my inquiries about the matter the hon. gentleman mentioned, and though it will take me some few minutes to make a statement I shall do so now because it appears to be the wish of the house.

A few days ago, speaking in this debate, the hon. member for St. Boniface made complaints about two changes in post office personnel. I have made inquiries into these two cases, and I would now like to bring the facts before the house. The first complaint was levelled against the procedure followed by the Post Office Department in connection with a promotion to the position of post office inspector, in Winnipeg, a few years ago. The procedure adopted was as follows. The position was advertised—

Mr. Speaker: I am sorry to interrupt the Postmaster General, but some hon. members seem to be looking at me and questioning whether what the minister is now doing is in order. I would not wish to allow this if it is not, but I would like to be told on what ground it is not in order for the minister to make a statement at this moment in reply to a question asked on two occasions by the hon. member for Three Rivers (Mr. Balcer).

Mr. Stanley Knowles (Winnipeg North Centre): Since you seem to be looking at me, Mr. Speaker, and since I was shaking my head, I might answer your question as I see it. It strikes me that since the complaints which the Postmaster General (Mr. Cote) is now about to answer were made by the hon. member for St. Boniface when speaking during the throne speech debate, and particularly in view of the fact that that debate will be resumed today, I believe it would be better if this statement were made in the course of that debate. If the minister makes a statement now there will be no opportunity to reply, as no one can debate a statement made on the orders of the day. I do not imagine the Postmaster General would take exception to that course.

Mr. Speaker: Was it along that line that the hon. member for Kamloops (Mr. Fulton) was perhaps indicating that he had something to say?

Mr. Fulton: No, I had no comments to make at all, Mr. Speaker.

Mr. Speaker: I am grateful to the hon. member for Winnipeg North Centre (Mr. Knowles) for having indicated what he meant by looking at me so persistently; and while I believe it is a matter on which the house

will wish to accommodate itself, it is quite true that the hon. member for St. Boniface made his remarks with respect to post office personnel during the course of the throne speech debate. However, it is also true that the hon. member for Three Rivers has asked this question on two occasions on the orders of the day, and one might say that at this moment the Postmaster General is replying to the hon. member.

It may be that he is prefacing his remarks by pointing out what was said by the hon. member for St. Boniface. But are we, on the one hand, asking the Postmaster General to reply to the hon. member for St. Boniface during the ensuing debate on the speech from the throne, or, on the other hand, should we not allow him to reply to the question put by the hon. member for Three Rivers? What is the position now?

Mr. E. D. Fulton (Kamloops): I could suggest a very simple answer, Mr. Speaker, and that is that if the Postmaster General felt so disposed he could inform the hon. member for Three Rivers that he is going to deal with the matter when he speaks during the course of the debate on the speech from the throne. That would be answering the question asked by the hon. member, and at the same time it would provide an appropriate opportunity for the hon. member who raised the question originally to perhaps question the minister.

Mr. Speaker: It strikes me there is some merit in the observations made by the hon. members for Kamloops and Winnipeg North Centre, particularly in view of the fact that the Postmaster General has indicated that his reply may be somewhat lengthy. If it is lengthy he might deal with the matter during the debate on the address in reply to the speech from the throne, and I am sure hon. members will allow him to take the floor at the earliest opportunity.

Mr. Cote: That was my intention in the first place, Mr. Speaker, but since I was invited to make my statement by the hon. member for Three Rivers, that is why I started to do so.

ALLEGED DISAPPEARANCE OF MONEY AT BRITANNIA BEACH, B.C.

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Can the Minister of Justice inform the house whether the Royal Canadian Mounted Police are investigating certain happenings in the post office at Britannia Beach, British Columbia?

Mr. Speaker: Perhaps at this moment I might indicate to hon. members that once a question has been asked and the matter is said to be under advisement by the minister for a reply at a later time, one should not rise every day and ask the same question. Whereas one has the right perhaps to press for an answer, I think on the other hand one must be patient enough to wait until the minister has had time to consider the matter, to have the investigation made and to make a report to the house. I think the hon. member will agree with me that he has been quite insistent on this particular question for the last three days. Perhaps he might be patient until the question is answered. Of course he is directing his question today to a different minister.

Mr. Fulton: It is also a different question.

Mr. Speaker: One could anticipate that the answer of the minister will be that he will consult the Postmaster General and that they will get together as to who will give the answer; but in principle it is the same question that was asked yesterday and the day before. I suggest that if we are to spend our time usefully during this question period, we should give all members a chance to put various questions during that time, and not come back to the same question again and again.

[*Later:*]

Mr. Hamilton (Notre Dame de Grace): With all due deference, Mr. Speaker, with respect to what I understood to be a ruling of yours there is something that I should like to point out, if I may be allowed to do so, because I think there is the possibility that it may put some of us on this side of the house in a difficult position and one which is not intended by the rules of the house.

As I understand it, Mr. Speaker, your ruling or your suggestion implies that once a question has been asked, nothing relating to that matter should be asked of the government until such time as the first question has been answered. In a case such as this where a member—as in this case—has quite a legitimate reason for approaching this matter and asking information from two different ministers on two different aspects of the subject, your ruling makes it extremely difficult for us to get adequate information. I think that fact is evident, Mr. Speaker, from the tenor of the original question which asks whether the Postmaster General was aware of the disappearance of this money and whether he was able to place the responsibility for the loss. The second question was designed to find out whether the matter had been considered serious enough to call in the Department of Justice and what action, if any, was being taken by that department. There is

no reason whatsoever why the Postmaster General should have given us such information in his answer to the original question. That is why I point out, with all due deference, that such a ruling could react very unfavourably to the rights of the opposition on many occasions.

Mr. Speaker: Would the hon. member be good enough to give me the page on which his first question appears?

Mr. Hamilton (Notre Dame de Grace): Page 501, sir.

Mr. Speaker: Would he be good enough to give me the page on which his second question appears?

Mr. Hamilton (Notre Dame de Grace): I just asked it a moment ago, and *Hansard* is wonderful but not quite that effective.

Mr. Speaker: I am sorry. I thought the hon. member had asked the question previously.

Mr. Hamilton (Notre Dame de Grace): I asked the question originally as it appears at page 501 of *Hansard* of January 25. On the following day, which was yesterday, I simply asked whether the Postmaster General had had an opportunity to investigate and report upon this matter. However, as I have pointed out, the question today was quite unrelated to either of the preceding questions.

Mr. Speaker: Hon. members will realize that I could have risen earlier, told the hon. member that my rulings are not debatable, and not allowed him to proceed. However, he prefaced his remarks by saying that my ruling was curtailing the rights of the opposition, and of course I do not want to be accused of doing that. That is why I listened to him. Another reason I could have stopped him is that he should have risen immediately after my ruling was given. Instead he let other questions go by and now he comes back to this matter. But that is quite all right, and I am very grateful to him for having done so.

If he looks at the first question he will see what I might call the order of progression of his question. First he asked if the minister was aware, and one must look at the answer the hon. member received. The minister said:

I shall be glad to investigate the matter . . .

The hon. member has asked the question a second time, and seems to think that perhaps an investigation is being carried on by the Minister of Justice. He has asked the Minister of Justice if an investigation is being carried on and if there is any result. That is what I gather. The matter is being investigated now, and until the report of the investigation is submitted to the house is it the intention of hon. members to repeat their questions every day just to remind the minister that they asked the questions the previous day? That is my point. The hon. member had a perfect right to ask his question, but he does not appear to be quite satisfied with what the Postmaster General is doing and he wants to find out if the Minister of Justice is also investigating.

Mr. Fleming: Through the R.C.M.P.

Mr. Speaker: Or the R.C.M.P. or whatever it is. I merely made a suggestion to the hon. member, and I am asking his co-operation. The hon. member seems to think his rights are being jeopardized, and if the Minister of Justice wants to tell him whatever he feels like telling him at this time in answer to his question it is quite agreeable to me. It is not only the hon. member for Notre Dame de Grace who has repeated a question. There have been other instances when, on two or three separate days, the same questions have been repeated by other hon. members.

I have not the cases in point in my mind at the moment, but I am sure hon. members will realize that sometimes, quite understandably, they are quite persistent in trying to get answers quickly to their questions. I am merely suggesting that the time that is set aside for questions and answers should be used for a great variety of different questions, and not for hon. members to rise and ask if they can get the answer to a question asked previously. One case in point is the question asked of the Postmaster General on perhaps two or three occasions by the hon. member for Three Rivers. He has asked the minister if he had any reply to make with respect to the matters raised by the hon. member for St. Boniface. That is another case in point. I was merely making a suggestion. If the hon. member wishes to pursue his question perhaps he might do so tomorrow and perhaps the minister will have his answer ready at that time.

PRISONERS OF WAR

REPORTED COMPENSATION FOR CANADIANS HELD BY JAPANESE

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I should like to ask a question of the Secretary of State. Has his attention been drawn to a newspaper clipping which indicates that Japan has agreed to pay $12 million in compensation to 13 countries, including Canada, whose soldiers it held prisoner during the second world war? Could the minister also indicate what portion of this amount will be passed on to the Hong Kong prisoners of war?

Hon. Roch Pinard (Secretary of State): Mr. Speaker, I wish to thank my hon. friend for having given me notice of this question yesterday. I have read the newspaper report to which the hon. member refers. It is correct that negotiations have taken place between a representative of the Japanese ministry of foreign affairs and Sir Norman Robert, the special representative of the executive committee of the powers whose nationals may benefit under article 16 of the peace treaty with Japan.

The news item to which the hon. member referred deals with the understanding which was reached at the conclusion of these negotiations on November 30, 1954. The implementation of the agreement is dependent upon ratification by the Japanese Diet.

If the agreement is ratified the sum of £4,500,000 sterling, which corresponds to the figure mentioned in the newspaper report, namely $12,600,000, would be placed at the disposal of the international committee of the Red Cross not later than the end of May, 1955. It is not yet possible to assess the value of the share which would then accrue to Canada, since all the beneficiary countries have not to my knowledge submitted a complete list of potential beneficiaries.

However, it should be stressed that in anticipation of this settlement, and also in order to avoid too long a delay in the payment of compensation to military personnel interned in the Far East, the government in 1952 modified the recommendation of the advisory commissioner on war claims. The commissioner had proposed that an automatic award of 75 cents per day be granted to former prisoners of war, and that an additional 25 cents per day be retained in the fund in a suspense account until such time as the value of the benefit received under article 16 of the treaty of peace with Japan is ascertained.

Under the modified formula adopted by the government former prisoners of war were granted an award of $1 per day, with the provision that such payment would include any benefit to which the recipients may be eligible pursuant to article 16 of the treaty of peace with Japan.

Under this arrangement $2,055,000 has already been paid by way of compensation for maltreatment from the war claims fund, of which $500,000 has been granted by way of an advance of potential benefits accruing under article 16 of the peace treaty with Japan. It follows that the proceeds once received as a result of this understanding with the Japanese government will serve to reimburse the war claims fund for the money advanced to individual claimants.

BUTTER

AVAILABILITY OF SUPPLIES TO CANADIAN INSTITUTIONS AT REDUCED PRICES

On the orders of the day:

Hon. W. Earl Rowe (Acting Leader of the Opposition): In view of the repeated statements in the press with regard to government plans for the disposal of surplus butter and the uncertainty of the response to my question yesterday, I should like to direct a question to the minister.

I notice that the Minister of Agriculture is back in his place in the house. He mentioned at Winnipeg that it was not a permanent policy of the government. Yesterday we heard that the price was not fixed. I noticed by yesterday's press that a new butter disposal plan is referred to, that the principle had been adopted by the government and that they were selling it at 20 cents a pound less.

An hon. Member: What is the question?

Mr. Rowe: My question is this. Is it true or is it not true? Is it true that we are selling butter for 20 cents a pound less? I do not consider that this is a laughing matter, because yesterday we were told distinctly that there had been no such decision.

An hon. Member: Question.

Mr. Rowe: My question is this. I should like to ask the Minister of Agriculture whether we are giving away one pound for every two that is purchased, as indicated by the report?

Right Hon. J. G. Gardiner (Minister of Agriculture): If that is the question, the answer is no. But in view of what has been said by the Acting Leader of the Opposition, I think possibly I should read what I said. What I said at Edmonton was this:

> We have a floor price based on 58 cents a pound Montreal and Toronto on butter. This has stabilized the price to the producers at 58 cents in the summer and it may rise to 61 cents in the winter. It has stabilized the wholesale price at 61 cents in the winter to the consumer. We have over 20 million more pounds in storage at present than we think necessary. It is there because of good grass last summer. We do not know how much grass we will have next summer but believe we can safely market 20 million pounds. My last act before leaving Ottawa was to recommend that some be sold to institutions in Canada at a lower price. I understand the recommendation has been accepted. When I get back to Ottawa on Thursday I hope to find the plan in operation.

That was my statement at Edmonton. As to the other things that have been said in

the press, when I had finished and when the meeting was over the press naturally asked me this question: "What is the price?" I said, "I do not know and I will not know until I get back to Ottawa and discuss the matter". They said, "Will it be 5 cents less?" I said, "I think a better term to use would be to say it would be considerably less if the plan went through". "Considerably less" is what I understand has been in the press. I made inquiries this morning, and the officials are not in a position either to tell me or to announce to the country what the price will be. The matter is still under consideration.

[*Later:*]

On the orders of the day:

Mr. Roland Michener (St. Paul's): Mr. Speaker, I should like to ask a supplementary question of the Minister of Agriculture. Am I correct in taking from the latter part of his statement that the decision with respect to the disposal of 20 million pounds of butter and the price is within the jurisdiction of the department, and is to be made by the department and announced by the department rather than by the minister and the government?

Mr. Gardiner: Mr. Speaker, I understand that there are about 1,500 of these institutions. The officials of the department are naturally discussing the matter or taking the matter up with those different institutions. Until those discussions have been brought to a conclusion there is not much possibility of announcing a price here. But when the time comes to announce the price, if I am here—and I expect I shall be—I will probably announce it here.

AIR TRANSPORT

INQUIRY AS TO FLIGHTS FROM WINNIPEG TO COPENHAGEN

On the orders of the day:

Hon. George C. Marler (Minister of Transport): Yesterday the hon. member for Winnipeg South asked the following question:

Will the government consider allowing Canadians and others to travel to Europe via Scandinavian Airlines from Winnipeg to Copenhagen?

Scandinavian Airlines system has no traffic rights at Winnipeg under the bilateral agreements made with the Scandinavian countries. The government is not considering making any change in this situation at the present time.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, January 26, consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Rowe, and the amendment to the amendment of Mr. Coldwell.

Mr. Ambrose Holowach (Edmonton East): Mr. Speaker, the debate on the address in reply to the speech from the throne offers private members an opportunity to direct the attention of the government, if that is possible, to serious grievances within our respective constituencies, and to express our views on outstanding problems in the life of this nation. This debate follows in the wake of the debate on external affairs which, in its high tone, its tense and dramatic moments, was certainly in keeping with the seriousness of the controversial problem being dealt with at that time.

The present debate is equally important because it comes closer to home and touches on problems that face our people every day of the week. I think we should remember that modern history records many nations have collapsed not so much from outside forces as from growing inequities, both social and economic, within the country, and failure to resolve those problems.

As a relatively new member of the house I have learned that a member's responsibilities to his constituents are varied. In this chamber, where we come together to reason and to give calm and considered study to the proper way in which to resolve our problems, it seems to me that the first responsibility of a member is to indicate objectively and honestly his views on the shortcomings of the government. Our nation's business, involving as it does the expenditure of some $5 billion of the taxpayers' money, involving decisions in domestic affairs affecting each and every one of us, involving decisions in external affairs as was indicated the other day during the external affairs debate, on matters which actually mould the destiny of our country—such a nation's business calls for more than obedient approval of each and every measure presented by the government.

It seems to me there is little value in repeating pleasantries and being overcomplimentary in regard to past accomplishments. We certainly admit that the government has made some excellent moves in the past and that there are good men on the government side of the house. But no man is without fault and sometimes even good men following wrong policies lead us nowhere. I think democracy is sometimes cumbersome, but it does get things done; and if we are to achieve progress it can only be by continual prodding and constructive criticism in order that we may reach that perfection which is, after all, the objective and ultimate destiny of civilized man.

We are living in grave times and there are serious problems facing the country, such as the long, enduring and heavy burden of direct and indirect taxes and the general business recession, as evidenced by the business failures in our country during the first six months of 1954, which were 56 per cent higher than during 1953. The farmers' problems result from unsaleable crop surpluses that have accumulated. The drop in trade has been a sad development, resulting in an adverse balance of trade for the first six months of 1954 almost equal to the entire adverse trade balance for 1953. The colossal amount of credit buying that has taken place in our land recently indicates that our people are mortgaging their future earnings in order to acquire things which they need today. The growing high cost of government, the obvious trend toward centralization, and above all the lack of evidence that our present policies are capable of solving some of these problems, are matters for serious consideration. I believe that in the light of all this evidence there is no reason for any of us to consider all our activities here as being sacrosanct. Certainly we are proud of our accomplishments, and we have many of them in Canada. Surely, however, the credit goes to all of the people and not to one particular party. I believe that the progress that is being made in Canada is due, in the first place, to the courage of the early pioneers and the farsighted aspirations of people in an abundant land. Our progress has been made despite the small inducements offered in some of the government policies.

I wish to be fair in expressing my views. There are serious problems facing my constituents, and they are fresh in my memory. As I travelled around my constituency conversing with people I was led to believe that they look for a proper solution to some of their problems through the action of this house. With one or two exceptions the problems of my people are an integral part of the problems facing all the people in Canada.

I refer to the situation wherein there are hundreds of thousands of men and women in our country willing and able to work but unable to find employment. I refer as well to the hardship and distress that is the result of such a situation. We certainly were glad to see the speedy introduction by the government of measures to help alleviate the unemployment situation by the extension of unemployment insurance benefits. I believe we all agree that an increase in unemployment insurance benefits is not the solution to the unemployment problem. A proper solution would be the maintenance of conditions under which all hands and all machines in our country would continue to produce wealth. Real prosperity comes only when the people have the means of acquiring the things which they need to sustain themselves. Inner contentment can only come when the people are employed in productive effort.

Is it not thought-provoking that in a country such as this, with over four million square miles inhabited by only 15 million people, there should be unemployment? One would normally think our real problem would be to secure enough workers to handle the many tasks that have to be undertaken. I was disappointed as I stood, with others from this house, before the bar of the Senate and listened to the speech from the throne. Instead of a call to action, we heard a subdued review of past actions. In that speech, unemployment was referred to as some strange regional phenomenon. We all know it is more than that, Mr. Speaker. If unemployment has become a measuring rod of the seasons in Canada, then all I can say is that our seasons are becoming longer and longer and more depressing all the time. Blaming mother nature for our mistakes is, to my mind at least, a surprising new theory.

Then, of course, there are those who blame the newly arrived immigrants in our country as the ones who are responsible for unemployment. I believe there is little connection. These critics fail to realize that although some 174,000 people were admitted to Canada during 1954, many of them were dependent on those already in this country and did not replace anyone in a job. In addition, many of them have already returned to the countries from which they originally came. It is interesting to note also that some 50,000 Canadians emigrate each year to the United States, many of whom possess technical skills acquired through higher learning. With the unemployment situation as serious as it is I believe that exodus will become even more marked. We are thus losing human material which I believe is inexcusable.

What then are the real facts? I believe that unemployment is the result of various factors, not the least of which is our faltering economy resulting from the lack of sufficient purchasing power in the hands of our people to enable them to acquire the goods which they have produced and need. Much of this purchasing power is being arbitrarily removed from their hands by heavy taxation in order to sustain what I believe is the high cost of an ever-growing government.

I do not believe the Canadian boom was ever traceable to our policies alone, but was

the result of other factors. In an article appearing in *The Challenge*, a magazine issued by the Institute of Economic Affairs, New York University, volume III, No. 3, there is an interesting analysis by Frank A. Tinker, writing from Toronto where he served as United States vice consul. It reads as follows:

> The Canadian boom was the result of a variety of factors: the backlog in consumer demand created by the war; the savage depletion of natural resources in other countries; the accompanying discoveries of, and investment in, these industrial materials in Canada; the creation of an industrial machine to meet the extraordinary demands; and the resultant population shifts.
>
> . . . Much of the prosperity of Canada's citizens, which has not been as outstanding as the over-all picture suggests, is due to these artificial stimuli.
>
> Today the factors which spurred the Canadian build-up no longer operate. Wartime scarcities have been eliminated. Industrial production in devastated countries has risen; recovery from war has filled the domestic gaps and has invaded those fields which previously were open only to the more fortunate, unscarred economies—like Canada's. The Korean and other Asian wars have been settled.

A little farther down this interesting comment appeared:

> A large part of the difficulty lies in the tax program. The sound fiscal government of which Canadians have heard so much has been bought at the cost of assessments which a United States resident would consider outrageous and under which industry would suffer. The solvency of the government may be little solace to the Canadian who finds himself unemployed today partly because of it. This is not to say that a solvent government is bad. But a high-cost government which insists upon being supported through high taxes can be discouraging to say the least.

Perhaps some of us will not agree with all the statements made in that article. But I am sure we will agree that it is a disastrous human experience for us to realize that in time of war and blood-spilling we have prosperity, while in time of peace we always have a faltering economy.

What, then, are some of the answers? I am not one who knows all of them or even a large portion of them, but I think I know where to start. We start now by realizing that science and the inventive genius of man have been able to create an ever-increasing abundance of goods and services of every kind and variety. We have been able to solve the problem of production. Now the problem is to try to bring these goods within the reach of those people who need them.

I believe the real problem is for us to devise economic policies whereby these goods may be brought within the reach of those people whose incomes are being reduced because of the replacement of manpower by machines. It seems odd, Mr. Speaker, that on the one hand we all agree the progress of science is a good thing, we pass legislation in this house advocating shorter hours and better working conditions, and we do this to eliminate the toil and hardship of the labouring group. Yet on the other hand in our fiscal policies we consider employment the only means of securing income to acquire the things people need. We are able to produce more, with fewer hardships and worries, but the paradox is that while on the one hand we are fostering scientific advancement which, after all, is aimed at the elimination of employment, on the other hand, we sustain an economic policy founded on the principle that the only way people can have incomes is by being employed.

There is proof that in modern civilization there will be increasing and ever-growing unemployment. I think attention has been drawn to this by farsighted statesmen and public leaders. Here is an interesting article which appeared in the New York *Times* of January 17 and, while we may not agree with Mr. Reuther's political philosophy, I believe there is much food for thought in what he says. It is headed "Reuther Decries Brake on Output" and states:

> He predicted that this year's output would fall $50,000,000,000 short of what it could be if there were enough customers to buy all the things our factories had the capacity to make.
>
> He reiterated the C.I.O.'s support for maximum technological progress, but he warned that this progress could become a source of great suffering and social unrest unless the country applied "the same jet propulsion" to its thinking about human problems that was being focused on "automation", atomic energy and other scientific advances.
>
> As evidence of the speed with which automatic methods were taking hold, Mr. Reuther told the unionists that the new Ford automatic engine plant at Cleveland already had been rendered "obsolete" by designs for even more efficient facilities.
>
> "They can make a Ford engine block in only 15 minutes without a human hand touching it," Mr. Reuther declared, "and I am told they have on the drawing boards a plant that can cut the time down to 10 minutes."
>
> He said the imbalance between what we could produce and what we could buy was becoming so acute that the manufacturers might find it necessary to set up plants to turn out "plastic consumers" to use the products for which there was no market.

My point is that this entire question must be faced realistically, and ways and means must be devised to make goods and services available to the people who are unable to find employment. At some future date unemployment may be inevitable. I do not think this necessarily implies idleness. It might spell out a new era wherein humanity will have longer rest periods and more leisure time to be devoted to physical and cultural pursuits, education and study, so as to enjoy a fuller and richer life.

Frankly, under our present fiscal policy there appear to be few remedies, unless the monetary reforms advanced by the Social Credit movement are given full and earnest

consideration. There might be some temporary alleviation of the problem by undertaking public projects. That should not entail going on a spending spree for the building of every project required in our country. In western Canada it should imply further financial assistance by the federal government to the respective provincial governments in order to induce them to undertake larger road building programs. This would absorb some unemployment, and certainly serve the needs of the country now and in the future.

I believe roads benefit the entire nation. Federal assistance in the matter of interprovincial roads is especially needed. On previous occasions I have drawn the attention of the government to the advisability of undertaking with the provincial governments the building of a road from Winnipeg by way of Saskatoon, Edmonton, Jasper park and the Yellowhead route, to the west coast. The rewards, both in times of war and peace, could not be measured in dollars and cents.

Second, I think we should design our policies to encourage consumption and production. In order to meet these requirements I submit that an early reduction in our taxes merits consideration. I believe the removal of many of the hidden taxes on commodities would bring these articles down to a level where people would be able to acquire them, thereby inducing consumption and production.

Apart from other benefits, it would restore some of the basic rights of the people to spend their own money instead of having governments spend it for them. I certainly disagree with those who believe that only by high taxes can we have high revenues. The reverse is often true. High taxes do not necessarily imply high revenues. I do believe that by a sensible reduction in taxation the government might well receive, through greater volume, what it now depends upon receiving through a high level of taxation.

Of course there are those in the house who indicate that because of our commitments by way of social services and defence costs, a reduction in taxation at this time would be improper. The movement to which I have the privilege of belonging is founded upon and dedicated to the well-being of the people. We look upon social services as the first responsibility of government. We consider it is the duty of government to protect our citizens against certain avoidable hazards of life and old age.

In the matter of defence it is true that we have no alternative but to carry on with our defence spending, in order to be secure in an uncertain world. However, let us remember that during 1953-54 the cost of national defence was reduced by some $126 million. However, that amount was absorbed by other departments. My point is that even if defence costs are reduced and if other government expenditures are not reduced accordingly just where in the world are we going? During 1952-53 these expenditures were $4·6 billion, and in 1953-54-55 they were approximately $5 billion. There is no denying that this government is growing larger and larger all the time.

Surely sizeable reductions in taxation could be brought about if the government would institute stringent policies of frugality to slice away some of the fatty tissues of government which are a consequence of the war years. I understand that at the present time some 22 crown corporations are being sustained by the taxpayers of Canada. The duties performed by many of these monopolies could well be performed by private enterprise if some incentive were given. In many cases the services performed by these corporations overlap the services offered by private enterprise.

Never before in our history have liberty and freedom had such meaning. We should realize that sometimes liberty and freedom disappear gradually through centralization and an ever-growing government until we reach a point where there is no turning back.

The forecast in the speech from the throne of increased basic rates and an increased permissible income under the War Veterans Allowance Act is commendable. So are the amendments to the Blind Persons Act to lower the age of eligibility and to increase income ceilings, and the conclusion of necessary arrangements with the various provincial governments in the matter of the Disabled Persons Act. They certainly deserve support from all members of this house. As the records indicate, we in this group have consistently fought for these measures. We realize that they have come late, but better late than never. We know they will be of assistance to many.

I regret that the Minister of Transport (Mr. Marler) is not in his seat, because I want to tell him how pleased the people of Edmonton were to hear that his department had decided to relocate and build new airport facilities in Edmonton. We trust that these measures will be undertaken with dispatch, as existing conditions certainly justify this move.

I regret the absence from the chamber of the Postmaster General (Mr. Cote), because I want to draw to his attention once more the need of an improved, enlarged or new post office building in Beverly, Alberta. The present building is no more than a shack, which if dismantled would hardly bring more than

a few hundred dollars on the used lumber market. On previous occasions I have drawn the attention of the minister to the need of further improvements to the building, or the erection of a new building. In no sense are these people asking for something which is unfair; they are asking for something which is completely justified in view of the limited facilities now available.

I am rather disturbed when I read statements which imply that a member's political affiliation determines the decision as to needs such as this being looked after. A report of this kind appeared recently in one of the Alberta papers. I quote from the Medicine Hat *News* of Saturday, January 15, 1955, as follows:

> New Post Office Opened at Taber
>
> Mayor Harry Veiner of Medicine Hat was master of ceremonies for the event, with Senator W. J. Stambaugh of Edmonton, the chief speaker, and representing the Minister of Public Works, the Hon. Robert H. Winters.
>
> The senator read a telegram of regret from Mr. Winters for his inability to attend due to parliamentary duties, and congratulating Taberites on their patience in awaiting completion of such fine accommodation for an essential service.
>
> J. Harper Prowse, leader of the Liberal party of Alberta, and a native of Taber, also sent regrets for his inability to attend.
>
> Senator Stambaugh said the new federal building was a direct tribute to the prodding and enterprise of the late Senator W. A. Buchanan of Lethbridge.
>
> "Without his interest I doubt if the contract for such a fine structure would ever have been let," observed Senator Stambaugh. "There would have been a new post office some day, but not such a fine building as this one. And then after Senator Buchanan passed to his reward, you had Mayor Veiner of Medicine Hat to carry forward demands upon Ottawa. He was largely responsible for having the post office section rushed through last fall and opening in time for some of the Christmas rush. Harry Veiner is well thought of in Ottawa and has been responsible for winning the government's attention to the needs of Medicine Hat constituency."

It was never my pleasure to know the deceased gentleman who is mentioned in this article, but I do know the high esteem and reputation which he enjoyed. I know the people of Canada looked upon him as a man of outstanding integrity and possessing statesmanlike qualities. If the late senator fought for a post office in Taber it was simply because Taber merited a post office. I am sure that were he alive, he would not approve his name being brought into a message such as was delivered recently at the opening ceremonies at Taber. Surely the Minister of Public Works (Mr. Winters) and the Postmaster General look with disfavour on this type of political drum-beating at the opening ceremonies of a public building in Canada.

[Mr. Holowach.]

I do believe that this newspaper report justifies a statement denying the assertion that political affiliation or political pressure determines the decisions in connection with the erection of public buildings.

Who is this man Harry Veiner who allegedly commands such tremendous influence in Ottawa? Is he not the same Harry Veiner who on two occasions was the Liberal candidate in that constituency and who, not once but twice, was rejected by the people of Alberta? It is stated that he is well thought of in Ottawa, and no doubt that is the reason for his rejection by the people of Alberta. Since when has he more authority to speak of the needs in that constituency, or to act as master of ceremonies at the opening, than the lawfully elected Social Credit member of that riding who, incidentally, was not even invited to attend the affair?

With such obvious political partisanship is it any wonder the people of Canada sometimes clamour for the reform of the other place? I believe such irresponsible statements are unfair to many hon. members in that other place who are more interested in Canada than in the well-being of any particular political party. I would suggest that if the hon. member from the other place is so interested in these matters he should be directing his efforts toward the construction of post office buildings in other places as well, and in this connection I would particularly direct his attention to the construction of a post office in the town of Beverly, Alberta.

I enjoyed listening to the speech by the hon. member for Fort William (Mr. McIvor) a few days ago. He mentioned the need for the exercise of moral principles in our national life, and I believe all of us will agree that unless the men in high office in our national life adhere to moral principles there can be little hope of real progress in the future, because it is moral principles and decisions based on them that are the only valid and true measure of human progress in this country.

As we stand at the beginning of another year in the second half of this century, a century which has seen bloodletting, violence, wars, depressions, recessions, booms and busts, and which on the other hand has witnessed scientific advances without parallel in human history, we should bear in mind that our individual responsibility as members of this house is not entirely to the political parties to which we belong but to the people of this country. It also involves an understanding that there is poverty in our midst and that we must conquer unemployment.

It involves in external affairs the realization that there are many economically poor nations and others who are subjected to enslavement yet cry out for liberty and freedom. To champion their cause is to champion the cause of practically the most powerful allies the free world can muster, and to be indifferent to their plight would be completely unworthy of our Canadian heritage.

Toward the ultimate objective of securing a sound and prosperous Canada, and making Canada's contribution to a world condition in which there shall be peace, security, and the blessings of political freedom for all, the Social Credit movement is dedicated. We do not consider ourselves as having in any way a monopoly of virtue; we look upon all hon. members of the house, irrespective of their political faith, as having a role to play in meeting this challenge and in the achievement of peace throughout the world.

Mr. Bona Arsenault (Bonaventure): Mr. Speaker, I should like first of all to extend my congratulations to the mover (Mr. Leduc) and seconder (Mr. Carrick) of the address in reply to the speech from the throne. Both hon. members are certainly worthy of the compliments which they have received from their colleagues in all parts of the house since this debate opened. In the discharge of their assignment they have both won an invaluable reputation for themselves and have proved to be a credit not only to their constituencies but to their respective cities of Montreal and Toronto, and to this parliament as well.

The subject matter which I wish to draw to the attention of hon. members at this time is one which has not been dealt with very often in this house in the past. It is also one which, in my estimation, deserves to be widely known to the Canadian public generally if it is to win the support of well informed Canadian public opinion.

It will be recalled that the eighth general conference of the United Nations educational, scientific and cultural organization, in other words UNESCO, was held at Montevideo, Uruguay, from November 11 to December 10, 1954. This was the first time a UNESCO general conference had met in South America. The choice of Montevideo was a fortunate one because it is the capital city of Uruguay, a country which rightly enjoys a reputation for its high standard of freedom and democracy.

The Canadian delegation which attended the conference was deeply impressed by the charm of that country and its people, and by the friendly warmth with which the Canadian representatives and the delegates of the other 71 member states were received.

Our delegation consisted of Mr. Sydney D. Pierce, Canadian ambassador to Brazil, who was chairman; the hon. member for Burin-Burgeo, Newfoundland (Mr. Carter); Dr. Philippe Panneton, of Montreal, widely known author and writer of many outstanding books on art, history and culture; Dr. Garnet T. Page, of Ottawa, a scientist and general manager of the Chemical Institute of Canada; Mr. F. K. Stewart, from Toronto, executive secretary of the Canadian Education Association; Dr. A. Vibert Douglas, a very distinguished lady and dean of women at Queen's University; Mr. Fulgence Charpentier, the Canadian chargé d'affaires at Montevideo; Mr. Malcolm N. Bow, adviser from the Department of External Affairs; Mr. C. F. W. Hooper, from our Canadian embassy in Buenos Aires, who acted as general secretary of the delegation; and myself.

As I was designated vice-chairman of the Canadian delegation I had the privilege of serving as acting chief of the delegation during part of the conference. This was due to the fact that the economic conference of the organization of American states was held in Rio de Janeiro at about the same time as the UNESCO conference at Montevideo and the chairman of our delegation, Mr. Pierce, attended the Rio de Janeiro conference as an observer. May I express my gratitude to the Prime Minister (Mr. St. Laurent) and to the other members of the government for this assignment which I found to be an extremely valuable experience.

The Canadian delegation to Montevideo was a hard-working one. It was one which took an active part in all phases of the important tasks carried out by the general conference. Seldom in the past have I had the privilege of co-operating with a group of people so conscious of their responsibility toward Canada and so eager to discharge, to the best of their knowledge, competence and ability, the important and sometimes extremely tiresome duties which were assigned to each of them.

Members of our Canadian delegation participated with delegates from other member states on most of the committees or commissions set up by the plenary session of the general conference. Besides the plenary session, where Canada had five seats, members of our delegation sat on the program and budget commission, on the administrative commission and on the advisory committee, which are the four main working bodies of the general conference. The advisory committee to which I have just referred is a committee which is advisory on any question on which the program and budget

commission wishes to receive technical advice. This advisory committee met two weeks before the official opening of the general conference and was attended by one of our delegates.

Canadian delegates have also been elected to the contribution committee and to the legal committee. This legal committee examines the constitutional and legal aspects of any resolution which involves constitutional or legal issues. A member of our delegation was also elected to the headquarters committee, which supervises matters pertaining to the new UNESCO headquarters which are to be erected at Paris, France. During the conference one of our delegates, Dr. Philippe Panneton, from Montreal, had the honour of being elected chairman of a working party.

The performance of the Canadian delegation at the recent UNESCO conference was, in my opinion, second only to that of the major powers. Yet in some instances when highly controversial issues were under consideration the Canadian attitude, and even our intervention as mediator upon the request of other nations, bestowed upon our delegation responsibilities which could not be more adequately discharged by any of the major powers, so great is the prestige that Canada enjoys today at the international level.

Having had the opportunity and the privilege of witnessing at close range the high consideration, the true confidence and the sincere esteem that other nations of the world have for Canada, for our Prime Minister and for our democratic government, I have returned from this UNESCO conference much prouder of our Canadian institutions and our sound administration, and much prouder to be a Canadian.

Before outlining some of the important decisions reached by the last conference of UNESCO at Montevideo, may I refer briefly to the historical background of UNESCO for the benefit of the readers of *Hansard* and that of the Canadian public generally. UNESCO, which is the abbreviation for the United Nations educational, scientific and cultural organization, was founded in London, England, in 1945 and the first general conference was held in Paris in November, 1946. Canada had joined UNESCO a few months prior to that time, on September 6, 1946.

In its early years UNESCO's energies were directed toward post-war rehabilitation, but in 1948 the organization turned toward the task of eradicating ignorance and illiteracy in the world. Dr. Jaime Torres-Bodet of Mexico, an international authority on mass education, was then appointed director general. He advocated an expanding program and budget for a sustained attack on urgent international problems; but he resigned in 1952 when the general conference did not then approve the increased program and budget which he presented. Dr. Torres-Bodet, as we know, is now Mexican ambassador in Paris.

In July, 1953, Dr. Luther H. Evans of the United States was elected director general of UNESCO. One of his first endeavours was a reorientation of the organization's program. UNESCO now has an executive board of 22 members appointed by the plenary session. All candidates to the executive board must now first have the approval and the support of their respective governments. At this last UNESCO conference it was decided that 1955 and 1956 should be transitional years, and that the remodelled program should come into effect in 1957.

Mr. Dufresne: Will the hon. member permit me to ask a question?

Mr. Arsenault: Yes.

Mr. Dufresne: I have been greatly interested in his remarks. A few moments ago he spoke about a reorientation of UNESCO's program, and just now he spoke about a remodelling of UNESCO's program. Would the hon. member be kind enough to give us some further explanation?

Mr. Arsenault: If I have not made myself sufficiently clear I am sorry. By reorientation of UNESCO's program or the reorientation of UNESCO's activities and by the remodelled program which will come into effect in 1957, the director general of UNESCO and the secretariat as well have in mind a program which will concentrate on major projects of international importance, large projects, rather than on small projects of local interest.

Mr. Dufresne: Could the hon. member give us a few examples of some of those projects?

Mr. Arsenault: Yes, I shall be glad to do so, Mr. Speaker. As examples of major projects of international importance I think I could probably mention measures devised to eradicate, for instance, racial discrimination, measures to sponsor better international understanding; or scientific research, for instance, to improve the standard of living. As an example of a small project of local interest I might perhaps mention assistance in the erection of a library or an archive somewhere in Asia or in the Middle East.

UNESCO, as we are all aware, is a specialized agency of the United Nations which has the task of bringing about a truly international appreciation of the various educational, scientific and cultural contributions of each country, and of the ways in which the people of the more fortunate lands may share

their techniques with and assist those in less developed areas. UNESCO's basic objective is to build the defence of peace in the minds of men through education, natural sciences, social sciences, cultural activities, mass communication, exchange of persons, and scientific assistance, which are made available to its member states and especially to the underdeveloped areas of the world. As is stated in the preamble to its constitution, "wars first originate in the minds of men". It is in the minds of men that the defences for peace must be erected. Therefore above all UNESCO is much concerned with what originates in the minds of men.

The entry to UNESCO in 1954 of the U.S.S.R., the Ukraine and Byelorussia, and the return of Poland, Hungary and Czechoslovakia to active participation brought the total membership of UNESCO to 72 nations. Some 1,200 delegates and technical advisers from all parts of the world attended the last UNESCO conference held in Montevideo. On the first day of the conference the Soviet delegation unsuccessfully urged the admission to UNESCO of Rumania and Bulgaria, and the rejection of the credentials of the representatives of nationalist China. However, the comparatively restrained and moderate statement of the Soviet spokesman was indicative of the attitude taken by the U.S.S.R. throughout the conference.

I must not forget to mention that the United States delegation also avoided provocation and concentrated on supporting increased technical aid to underdeveloped countries. Three resolutions on atomic energy offered another opportunity for political argument on such questions as banning atomic weapons, disarmament, the harmful effects of radiation, the control of nuclear energy and so forth. However, thanks to the co-operative spirit of all concerned it was possible to combine the three resolutions into one which authorized the director general of UNESCO to extend full co-operation to the United Nations on questions concerning the peaceful use of atomic energy. The joint resolution was, therefore, approved unanimously.

A Soviet resolution on measures to prevent the use of mass communication for the propaganda of war seemed certain to create real trouble until the Soviet delegation finally joined Canada, Colombia, Czechoslovakia, France, India, Lebanon, Mexico, the United Kingdom and the United States in sponsoring an alternative resolution on freedom of information. The resolution was approved unanimously, but the various interpretations of the operative paragraph, which invited the member states "to take the necessary measures to ensure freedom of expression and to remove barriers to the free flow of undistorted information" somewhat circumscribed the enthusiasm with which this Soviet concession had been greeted.

Throughout the conference there was an insistent demand from underdeveloped countries for a substantial extension of UNESCO's program and a large increase in the budget. The contributions of new members provided additional revenue and made possible expansion of the program and budget without an increase in the individual contributions of member states. By an overwhelming majority vote the conference approved an assessment level of $20 million for 1955 and 1956, an increase of approximately $2 million over 1953 and 1954. The redistribution of contribution percentages, as new members joined UNESCO, caused Canada's percentage to decline from 3·54 per cent to 2·77 per cent. The amount of the Canadian contribution for 1955 and 1956 will be approximately $554,000, compared with more than $600,000 in 1953 and 1954.

Mr. Dufresne: Will the hon. member permit another question? What is the basis of the contributions of the various members of UNESCO?

Mr. Arsenault: The contributions of member states of UNESCO are established on the same basis as the contributions of member states of the United Nations. The population and national income of each country are taken into account. There are other factors which are considered, such as loss sustained during the last war and so forth. As I have just mentioned, our percentage of contribution was reduced this year to 2·77 per cent, while our percentage of contribution to the United Nations is 3·60 per cent, if I recall correctly.

Mr. Balcer: What was the reason for the decrease in our contribution?

Mr. Arsenault: The reason for the decrease in the percentage was the new members that joined UNESCO. I think I can answer the question of the hon. member for Three Rivers (Mr. Balcer) by saying that there are 60 nations of the world which are members of the United Nations, while there are 72 countries which belong to UNESCO. The entry of the U.S.S.R., Byelorussia and the Ukraine, bringing with it their contributions, caused Canada's percentage to decrease from 3·54 per cent to 2·77 per cent. Of course our contribution to the United Nations is higher than that to UNESCO because the budget of the United Nations is in round figures $40 million, with our contribution being about $1,500,000, while the total budget

of UNESCO is in round figures $10 million and our contribution is approximately $300,000 a year.

Some of the projects which have been approved by the conference and that are of greatest interest in Canada have to do with matters pertaining to education. There is the continuation of the international fundamental education centres at Patzcuaro, Mexico, and Sirs el Laiyana, Egypt. A regional conference on compulsory education will be held in Latin America during 1956. Teaching about both the United Nations and human rights will be stressed. Assistance to member states in the development of adult education, toward better international understanding, was authorized, and special consideration will be given to selected summer schools in underdeveloped areas, and those for women students.

In the development of youth education for social responsibility and international understanding, a system of associated youth enterprises will be instituted during 1955 and 1956. Subventions to 11 international educational organizations were approved.

Mr. Knowles: I wonder whether the hon. member would permit a question at this point. I was interested in his reference to centres of international education where fundamental education was taught. He mentioned these schools as being in Mexico and Egypt. Could he tell us something of what is taught at these schools?

Mr. Arsenault: I shall be glad to. The international fundamental education centres at Patzcuaro, Mexico and Sirs el Laiyana, Egypt, deal with the general form of education, education in the broad sense of the term. The centre at Patzcuaro, Mexico, alone takes care of the whole of Latin America, while the one at Sirs el Laiyana, Egypt, serves not only the Egyptian area but the whole of the Middle East. The population of those areas of the world are taught at those two centres, for example, how to maintain health; how to use their natural resources to best advantage in order to raise their standard of living; how to develop their agricultural resources, etc. In a broad sense that is what we mean by fundamental education.

Under the heading of natural science, the conference agreed that arid zone research should be accelerated. A substantial increase was voted in the budget for this activity. Surveys of the arid zones in Latin America, the Middle East and south Asia will be examined by committees of experts in an effort to co-ordinate research on this subject.

[Mr. Arsenault.]

The proposed campaign against cancer was one of the most controversial items in the entire UNESCO program. It was first approved, then rejected, and finally accepted under the new title of "basic research on cellular growth."

The conference expressed keen interest in the work of the international council of scientific unions. A study conference on science teaching will be held in south Asia in 1955.

Subventions to the council of international organizations of medical sciences, to the union of international engineering associations, to the general assembly of the international union of biochemistry and to the international geophysical year were approved.

Under the heading of social sciences, it was decided that the development of social science teaching will be encouraged, with particular attention being given to direct aid to member states and the teaching of economics at universities.

The conference decided to intensify its work in the field of human rights and minorities, and to initiate a world-wide campaign to eradicate racial discrimination. Subventions were granted also to eight international social science organizations or institutions.

Under the heading of cultural activity, the conference authorized an analysis of the use of radio and television in cultural programs and a study of traditional cultures in southeast Asian communities which are undergoing rapid technological changes.

It authorized also an inquiry into the teaching of the humanities. Comparative studies of methods used in education through arts and crafts in industrial and rural areas will be conducted in Sweden, Germany and the U.S.S.R.

Underdeveloped countries that have requested assistance will be aided in establishing libraries and archives, the education of librarians and the microfilming of library or archival materials. During 1955 a seminar on public library development will be held in India, and a regional conference on the exchange of publications will be held in Latin America. The aid to member states such as Burma, India and Pakistan, for example in the development of museums, was approved and assistance was authorized to the international council of museums for the international exchange of exhibitions.

The conference recommended maintenance of the necessary services for the implementation of the universal copyright convention as well as for the protection of cultural property

in the event of armed conflicts. Subventions to 11 international cultural organizations were approved.

Under the heading of mass communication, such as the press, radio, television, the continuation of all UNESCO's activities for the promotion of international understanding was authorized. Continued efforts to procure support for proposed international agreements on the free flow of information were urged, and the preparation of a recommendation to member states on the free movement of persons was authorized. A substantial appropriation was provided for expert missions and fellowships. Under the heading of exchange of persons, priority will be given to the underdeveloped countries in the awarding of fellowships.

Finally, Mr. Speaker, under the heading of general resolutions; the conference considered the development of national commissions to be one of the most important questions on the agenda. A study of the structure and methods of work of existing commissions, the resources at their disposal, and the difficulties they were encountering was authorized. All member states were urged to improve the operation of their national commissions.

At this point may I recall, Mr. Speaker, that in chapter 25 of the report of the royal commission on the arts, letters and sciences which was tabled in this house in June, 1951, the commission summarized certain disabilities which, in its view, seriously handicapped arts and letters in Canada. One of the gaps in our national equipment in relation to the arts, letters and social sciences which the royal commission cited was the following, and I quote from pages 372 and 373 of the report:

> Although Canada is a member of the United Nations educational, scientific and cultural organization, there is not yet established in Canada any form of national commission for UNESCO; an undertaking to create such a commission or an equivalent forms part of the UNESCO constitution, which Canada has accepted.

Canada has been a member of UNESCO since 1946, and has not yet established a national commission such as that prescribed by the UNESCO constitution and recommended by the royal commission. It will be recalled that the royal commission recommended the creation of a council for the arts, letters and sciences which, together with other varied and complex duties, would act as a national commission for UNESCO. Many of the duties of the proposed Canada Council would be concerned precisely with those matters of greatest concern to UNESCO, so that by the creation of a single body wasteful duplication would be avoided.

It seems obvious that the circumstances and considerations which led the royal commission to make this recommendation are still valid. As at September 1952, out of the 65 member states of UNESCO only three countries in addition to Canada had not established national commissions. They were Arabia, Korea, and Czechoslovakia. So long as we do not have some kind of national body, organized for the purpose to which I have just referred, we shall be failing in our undertaking to UNESCO, and we shall be taking only a very inadequate part in the UNESCO programs.

Mr. Dufresne: There may be a reason for that. Perhaps Canada has not recommended that because she wants to protect the rights of the provinces in matters of education.

Mr. Arsenault: Is this a question, Mr. Speaker? We contribute each year about $300,000 to UNESCO. In addition there are the costs of the delegations to the general conferences which are now held every two years. From this substantial investment we are not getting an adequate return, for the very reason that there does not exist any suitable equipment in Canada whereby the programs and the purposes of UNESCO can be made known to the Canadian public generally and, more particularly, to those special groups in Canada which are so deeply concerned with the objectives of UNESCO. As a result we are continuing to play less than an adequate part in the activities of UNESCO.

Mr. Balcer: Would the hon. member permit a question? May we take from his remarks that if Canada has not raised its contribution to UNESCO, it is strictly due to the fact that we do not have a Canada Council?

Mr. Arsenault: We decreased our contribution; we did not raise it.

Mr. Balcer: If we decreased our contribution, then I imagine other countries must have put pressure on Canada to have our contribution raised.

Mr. Arsenault: May I answer by saying that the member states have nothing to do with deciding what the contribution to UNESCO will be, because we first establish a budget. Then each member state is assessed according to that budget and according to certain rules and bases established, as I explained earlier.

Mr. Balcer: Was there not any pressure—

Some hon. Members: Order.

Mr. Arsenault: No, there was no pressure.

Mr. Balcer: I am asking a question. If the hon. member does not wish to answer, then all right.

Mr. Arsenault: There is no pressure whatsoever.

Mr. Balcer: No pressure from other states asking Canada to increase its contribution, do you say?

Mr. Arsenault: There is no way whereby we could increase our contribution, even if we wanted to, except by way of an outright gift to UNESCO.

Mr. Dufresne: We are good at that; we are good at gifts.

Mr. Arsenault: As a result of this we are continuing to play less than an adequate part in the activities of UNESCO, since the Canadian attitude in general conferences is not supported by a well-informed Canadian opinion.

Further, the successive Canadian delegations to UNESCO suffer a severe handicap in that there is little or no continuity in the Canadian delegations which, however well disposed and enthusiastic they may be, do not take up their duties at these conferences with adequate background information or knowledge of the problems which face UNESCO from year to year.

Mr. Knowles: Would the hon. member permit a question?

Mr. Arsenault: Yes.

Mr. Knowles: He appreciates the fact that our questions are being asked because we think he is making a very important speech on a very important question. He has just said something about the desirability of Canada having a Canada Council, or some national commission related to UNESCO. Does he happen to know, as a member on the government side, whether we can count on the appointment of the Canada Council being made at an early date?

Mr. Arsenault: Official policy, as a rule, does not come from backbenchers.

Mr. Pearson: Don't be too discouraged.

Mr. Arsenault: The announcements of official policies do not generally come from backbenchers.

Mr. Knowles: I take it that the hon. member favours it.

Mr. Speaker: Order.

Mr. Arsenault: One at a time, please.

Mr. Knowles: In any event, it is a good speech.

Mr. Arsenault: I hope something is done along those lines very soon.

Mr. Knowles: Hear, hear.

[Mr. Balcer.]

Mr. Arsenault: If the Canadian government is in agreement that a national commission for UNESCO should be associated with or dependent upon the Canada Council, as proposed by the royal commission, it seems quite obvious that herein lies a strong argument for the immediate establishment of the Canada Council, quite apart from any other useful functions which the council might be required to assume.

Mr. Knowles: I told you that you were making a good speech.

Mr. Arsenault: Thank you very much; it is a non-political speech.

The formation of the Canada Council, with the added responsibilities of a national commission for UNESCO, would certainly have great advantages. Canadian delegations to UNESCO conferences would be composed, at least in part, of members of the national commission for UNESCO, who would be familiar with the policies and objectives of UNESCO and who would, over the years, provide a much-needed continuity in our delegations which in the present circumstances is sadly lacking.

Through the national commission for UNESCO, which would represent Canada as a whole, as well as the various literary, artistic and scientific organizations in Canada, the Canadian people would become much better informed of the achievements and purposes of UNESCO and, it seems quite clear, would be better prepared to advance, both within this country and internationally, the objectives of the UNESCO constitution, which Canada is under obligation to foster.

Through the active participation of a very considerable number of Canadians in UNESCO enterprises we should be getting a substantial return for our present investment which, as things stand at present, I am sorry to say is producing very little for us.

UNESCO has occasionally been subjected to some criticisms for spreading its activities too thinly over far too wide a range of subjects. If Canadian delegations to UNESCO general conferences are to be able to suggest more immediately useful and constructive programs, they should have behind them the authority of the informed and interested bodies in Canada which, through their interest in the work of a national commission for UNESCO, undoubtedly would see to it that their considered views were made known, and were expressed by the competent Canadian delegation.

And this, Mr. Speaker, must be considered without taking into account the heavy task which remains to be fulfilled by any UNESCO

member state during the two-year period which elapses between one general conference and another, such as the diffusion to interested bodies and the general public of information as to the result of UNESCO enterprises; the organization of international study conferences; recommendations on the choice of qualified experts to the various educational or scientific missions, and to see to it that UNESCO recommendations are properly carried out.

This can be performed adequately only by a permanent organ of liaison with UNESCO, such as a national commission, or its equivalent. Undoubtedly all important matters of policy would still be determined by the government, but on a very considerable number of matters the advice of the interested voluntary organizations in Canada would be of the greatest value. This advice cannot be secured adequately, failing the existence of a national commission for UNESCO, however we may wish to organize it in Canada.

Mr. Balcer: Would the hon. member permit a question? I did not wish to interrupt earlier in his speech. Was a Canadian flag flown at the conference?

Mr. Arsenault: There was a Canadian red ensign, yes, standing with the flags of the other nations. Unfortunately, may I add, it was often confused with the flags of some other commonwealth nations, and British colonies or territories. And I might add that members of our delegation were not too happy about it.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, this opportunity to take part in the debate on the speech from the throne gives to a member an occasion at the beginning of each session to survey the position of parliament, to survey the issues to come before parliament, and to reach some conclusions and form some opinions on the role which parliament generally is playing in the affairs of Canada. This opportunity is the more significant since Canada is assuming an important place in the affairs of the world. Therefore I think it appropriate that when taking part in this debate a member should make some remarks in relation to the position of parliament and the relationship between parliament and the government. Speaking for myself at any rate, I find considerable cause for deep concern in the present relationship between the government and parliament and in the attitude toward parliament shown by the present government over the years in which I have been here.

Very often—and perhaps more so on this side than on the other—we members object to the way in which the government seeks to control parliament, and to the way in which it ignores parliament. At the beginning of this session when there is confronting us a revision of the rules of the house, a committee for which has been set up, I think we should express some conclusions and indicate some objections to the way in which this process has been going on.

I do not wish to open my remarks in too partisan a spirit, but nevertheless I feel I am justified in saying that by and large the manner in which the government ignores parliament and the way in which the government attempts to control parliament is unfortunately approved of by the majority on the government side. For instance, I refer to such incidents in the past as the statement made by the Prime Minister (Mr. St. Laurent) that the government will give to parliament only such information as it sees fit to give unless the decision as to what should or should not be given to parliament is disagreed with by the majority. As I have stated, unfortunately the government controls that majority and the majority appears willing to accept that control. As a result the government is enabled to carry out its policy of refusing information to parliament, of refusing to take parliament into its confidence and of refusing to bring before the representatives of the people for discussion those matters upon which we are entitled to be asked to form a decision.

Indicative of this trend was the refusal to call parliament last fall when there were important issues affecting the country which were giving cause for great concern on the part of our people. I am not going to revive the debate which was concluded yesterday, but I cannot fail to refer to the fact that parliament and the people were kept in ignorance of the real facts with respect to the German treaty.

There are further grounds for the objections which I now make in that when the government does call parliament it treats it with what amounts to contempt. Their attitude is a reminder of the principle behind the statement made on one occasion in this house by the Minister of Trade and Commerce (Mr. Howe), who said, "If we want to get away with it who can stop us?". No minister in a government which had a proper appreciation of the position of parliament and of the relations of a government to parliament would have dreamed of using such words.

This attitude of the government toward parliament is further demonstrated by the numerous interruptions which have taken place already in this debate. It is an accepted principle, which unfortunately is not followed by this government in practice, that the debate on the address in reply to the speech from the throne affords to members of parliament an opportunity to indicate whether or not they have confidence in the government. For that reason the normal business of the session is not proceeded with until that debate has been concluded.

I am not in any sense criticizing the laying before the house of the details of the government's program for the session while the throne speech debate is in progress. We are in complete and thorough agreement with that new practice. What I am referring to is the interruptions which have occurred in this debate for the purpose of taking up other matters. Several such interruptions have taken place at this session, and they have had the effect of reducing the significance of this debate, which in effect is an affront to parliament and an insult to its rights.

One can see in this interference with the throne speech debate the natural outcome of the government's attitude to parliament. The Prime Minister and the government said that there was nothing urgent enough to warrant the calling of parliament last fall. That argument was repeated yesterday. And yet already the throne speech debate has been interrupted because it was said that now we are here there are matters of such urgency that they require immediate attention and the government insisted upon laying aside this debate in order to have the other matters dealt with.

Only yesterday we heard the Secretary of State for External Affairs (Mr. Pearson) tell us that the consideration of the matter of the German treaty then under discussion was not really of sufficient urgency to warrant an earlier calling of parliament; yet he was speaking in the course of a debate which he had asked to have held at this time and which could only be held by interrupting the proper and normal business of parliament. In the same way this throne speech debate was interrupted earlier for the purpose of considering amendments to the Unemployment Insurance Act.

There is not one of us who would deny the urgency of that matter in the light of the situation which the government has allowed to come about. But it is nothing short of absurd, it is nothing short of an affront to parliament, and is an indication of the government's attitude toward parliament to say, on the one hand, that there is nothing of such concern that parliament should be called early to consider it—to indicate in effect that parliament could not make much of a contribution to the matter in any event—and then to get us down here and say, "Now you are here, these matters are in fact of such urgency that we have to interrupt the proper and normal process by which parliament proceeds in order to take up these emergency matters".

In the same way in this session we have already seen a departure from another principle the preservation of which, I submit, is essential if parliament is to be in a position and have the authority whereby it is enabled to deal effectively with the government, which after all is or should be its responsibility. I refer to the principle of ministerial responsibility and cabinet solidarity. After all, if this parliament and the country are to be confronted with a series of statements by ministers, each of which is at variance with the other, it becomes impossible for parliament to decide the government's stand on a particular issue and thus to debate the merits or demerits of that stand.

We have seen increasing indication over the past few years of a serious departure from this principle of cabinet solidarity. I do not think it has been more conspicuously revealed than it was a couple of years ago in connection with the payment of $65 million to the wheat farmers of the prairies. At that time we had the Minister of Trade and Commerce saying one thing and the Minister of Agriculture (Mr. Gardiner) saying diametrically the opposite in connection with the government's policy in that regard. When those two gentlemen found themselves in such an absurd position, they finally had to scramble out of their fix as best they might by saying, "Well, we have what we regard as a good Prime Minister; we will leave it to him and he will save the situation".

We have had an almost exact repetition of that absurd position this session. That was in the discussion of an important matter, the construction of the dam on the South Saskatchewan river. On the one hand, the Prime Minister has said the government does not feel it can conscientiously recommend to parliament that it is in the national interest to proceed with this matter; but on the other hand, we have the Minister of Agriculture out there carrying on negotiations with the government of Saskatchewan. What are the people to conclude the government believes? How are the people of Canada, or the parliament of Canada as representatives of the people, to arrive at any understanding of the nature of government policy in the light of confusion resulting from the fact that the government no longer speaks with a consistent voice?

We see another example of the government's overbearing attitude to parliament in the further refusal of information by the Prime Minister (Mr. St. Laurent) with respect to the subjects which are to be discussed at the forthcoming conference of the commonwealth prime ministers. As has already been stated, apart from recent very pressing and immediate problems of international relations, there is no more important problem for this country than the question of intercommonwealth trade, and our trading relations within the commonwealth and the orientation of our trading channels generally.

Yet the Prime Minister refuses to afford parliament the opportunity of discussing the policies Canada should follow, refuses to give any indication of the position he intends to take on behalf of this government at that conference. Parliament is refused an opportunity to express its agreement or disagreement with those policies, to which however, we shall no doubt be committed. All that the Prime Minister tells us is that he, after all, is not going over there to make things any worse. The result of that attitude, Mr. Speaker, certainly means—if that is his attitude—that even if he tried he could make things no worse but he certainly is not going to make them any better. I suggest the Canadian parliament have a right to expect of their government and of their Prime Minister the expression of a more realistic concern with the problems which are exercising the Canadian people.

Then when the government, having treated parliament not only on this occasion but over past years with contempt, finally got around to calling parliament, they laid before us a throne speech which, by its conspicuous failure to deal with more pressing problems, is itself a further affront to a legislative body claiming any measure of independence and discretion.

In my view the most conspicuous failure of the throne speech is the failure even to mention one of the most outstanding and vexed problems of the day, the problem of dominion-provincial relations.

But perhaps on reflection, Mr. Speaker, it may be concluded that it is after all not surprising that there is no mention made of this subject, because in no respect has the record of the Liberal party and of the Liberal government been more shameful than in this field. There is no field in which that party has done more by playing politics to endanger national unity and bring relations between the various parts of our country almost to the breaking point.

It is a record in which unfortunately the Prime Minister, by his recent deliberate and calculated reversal of policy and attitude, is now shown to have played a leading part, and in which he has had the enthusiastic backing of several members of his cabinet.

It has, of course, been for many years a deliberate part of Liberal policy to exploit the differing sentiments of differing parts of this country—always under the guise of fostering national unity. They have brought relations between the dominion and the provinces to the breaking point; they inflame the passion of one section of the country against another; they encourage resentment by the provinces against the dominion; they play off one part against the other and all the parts against the whole—then at the last moment, when the situation has reached a position of imminent disaster, they make a concession to avert a disaster which they themselves have created. Then they and their spokesmen, and the propaganda sheets which so assiduously foster the Liberal cause throughout the country, cynically seize upon the very concession they have made and boast that they have made another contribution to national unity thereby.

We have seen this process repeated once more and carried to the very ultimate just recently. We have seen a subject vital to the welfare of the nation—we have seen the welfare of the nation itself—used for political advantage by this Liberal government. In this whole process the Prime Minister has unfortunately played a leading part.

I refer, of course, to the method by which this government has dealt with relations between the dominion and the provinces, and particularly with the province of Quebec, over the taxation problem. There we see revealed in the most startling manner the way in which the Liberal government, under its Prime Minister, has been playing politics with a national issue for partisan political advantage.

To establish the truth of this assertion one has but to compare the statements and attitude of the Liberal leader last summer and fall with his actions in January of this year.

Last fall—and he must have known that six by-elections were in the offing in various parts of Canada in English-speaking or largely English-speaking ridings—the Prime Minister embarked on a course which constituted an appeal to English-speaking Canada, by attacking the premier of Quebec. So we had the sabre-rattling speech at the Reform club in the city of Quebec on September 16.

Then we were told there could never be one arrangement with one part of Canada and another arrangement with the others. Then the principle was enunciated that the whole was greater than any of the parts. Then we

were told that the Prime Minister had thrown down the gauntlet, challenged the premier of Quebec, and embarked on a battle to the death for the sacred principle of Canadian unity.

And how the ruse worked! For it was a song that has an appeal in many quarters—the battle song of the Liberal party which has led them to so many election victories: the song of national unity over-all while provoking national disharmony in all the parts. And nowhere, of course, does the sort of appeal made on September 16 have a greater attraction than in quarters where the feelings of the province of Quebec are not understood, and where the people have been exposed to years of the Liberal propaganda—the propaganda which states in one part of the country that Uncle Louis and his Liberal government are the saviours of the country from the wiles of the Conservatives, who are prepared to co-operate too closely with the premier of Quebec, while at the same time saying in Quebec that Uncle Louis—Papa Louis—is the saviour of his country from the wickedness of the Conservatives who will rob them of their heritage.

And so, to the advantage of the by-elections, and of the Liberal party, there was sung by the Prime Minister the battle song of anti-Duplessis; anti-tax concession; and the preservation inviolate and unchanged of the existing tax deals. And the ruse worked again.

Up until now, Canadians have taken the Prime Minister at his word and at the evaluation placed upon him by the Liberal party and its propagandists. I believe the Canadian people, even yet, are hardly able to realize the extent to which they were misled and misinformed in their appreciation of him and what he was doing.

Today, the by-elections being safely over, a completely different and diametrically opposite position has been taken by the Prime Minister. The very things we were led to believe he would never do are now being done.

Mr. Pickersgill: Would the hon. gentleman permit a question?

Mr. Fulton: Yes.

Mr. Pickersgill: The hon. gentleman just said, "the by-elections being over" and he left the implication that a speech made in September was made for the by-elections. Does he not know the Prime Minister met Mr. Duplessis in Montreal on October 5. Surely you cannot have it both ways.

Mr. Fulton: That is perfectly true. But perhaps the hon. gentleman's elevation to and his assumption of a position of greater responsibility has affected his memory. I do not know. But I suggest to him that he exercise his memory and that if he does so he will recall that nothing was said publicly between September 16, the date of the Reform club speech, and January 14—January 17, in fact—when the correspondence was tabled in this house and the announcement was made, an announcement which outlines a diametrically opposite course to that which we were led to believe was government policy on September 16; for the very things we were then led to believe he would never do are now being done. A different song is being sung now. The political purpose has been served, so the tune has been changed and the tone muted. The rousing battle song is now the sweetest of harmonies, and St. Louis the valiant knight has become once again Uncle Louis, the kisser of babies. No longer do you hear the rattle of sabres or the gnashing of angry teeth. Instead, honeyed words are flowing and the sword is sheathed. The Prime Minister has returned to parliament and on January 17, instead of St. Louis the Bold unfurling aloft the banner of righteous indignation, we saw the spectacle of Uncle Louis coming into the house and brandishing an all-day sucker—giant size—Liberal brand.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order.

Mr. Fulton: I see that my hon. friends do not like this very much. I did not suppose that they would. But we should look at what was said before and compare it with what is now being done. You will find, Mr. Speaker, that the proposal now made does involve the payment of different rates of federal tax by people in receipt of the same income residing in different provinces. To appreciate the extent of the hypocrisy of the Liberal party in dealing with the question of national unity, one has only to consider the extent to which the passions and prejudices of the rest of the nation were influenced by their spokesmen before the by-elections, and compare their earlier statements with their present actions. In 1954 the actions and proposals of the Quebec premier were everywhere ridiculed and condemned. In 1955, after the by-elections, they are in large part accepted, though in a different form. It should be noted that the premier of Quebec never went so far as to suggest that federal taxpayers in Quebec should have a lower federal tax rate than those living elsewhere, which will now be the case.

Let us compare some of the statements made. In 1954 the then minister of finance said in this house on April 6:

> The principle underlying the suggestion that provincial tax should generally be allowed as an offset against federal tax strikes at the very root of the system of federal-provincial tax agreements which have been developed in this country.

But in 1955, on January 14, in a letter to the premier of Quebec the Prime Minister says:

> . . . we intend to propose to parliament a reduction of the federal tax for all taxpayers of a province having a provincial tax, whether or not they have to pay the provincial tax.

In 1954, the Prime Minister, in the speech already referred to—a speech which could only appeal to those parts of Canada where the Quebec premier was not popular, and in a speech deliberately insulting to the premier of that province—based his appeal on the principle that he and his government would never offer to the people of one province any concession or benefit not available to the people of another. But in 1955 the Prime Minister does exactly the opposite; for in 1955 he says this, and these words can be found at page 230 of *Hansard*:

> We also intend to propose that income tax payers who have actually paid a provincial income tax on their 1954 income—

And this applies only to the taxpayers of Quebec.

> —be allowed a deduction up to 10 per cent of their federal tax.

You will recall further, Mr. Speaker, that in 1954, before the by-elections and in this house the Prime Minister told us—and he was echoed in this by certain of his colleagues, one in particular—that no good purpose would be served by holding a further dominion-provincial conference. But in 1955, after the by-elections, he tells us that a conference will be a good thing and that he proposes to call one at the earliest possible date.

Mr. Speaker, seen now in this light, seen now in its true perspective, seen after it has served its purpose for the political advantage of the Liberal party, this Reform club speech and the whole attitude and conduct of the Prime Minister stand out as one of the sorriest examples of conduct the only result of which was to fan the flames of racial prejudice and to sow the seeds of national discord and disunity—although it may have resulted in a temporary political advantage.

Then what of that other exponent of Liberal political principles, the Minister of Justice (Mr. Garson). This great emancipator—you will remember, Mr. Speaker, how he was going to free us from the bonds of servile colonialism which he said still bind us with respect to our constitution, and how he called a conference of the dominion and the provinces to find ways and means of amending the constitution; you will recall how he dropped that proposal like a hot brick back in 1950, when he found that once again the interests of his own party and those of the nation did not coincide, and how he once again subjugated the national interest to his party's political interests—in respect of this matter of the tax deal the great emancipator has found himself reduced to the position of a third-rate slave trader.

Only three short months ago this gentleman was roaming the western prairies, arousing western Canada against Quebec by a straight narrow appeal to racial prejudice. The Liberal party, he said, is prepared—and is the only party that is so prepared—to defend the present tax deals in exactly their present form against the onslaughts of those who think a better arrangement could be found. And he whipped up racial sentiment against anyone who, whether conscientiously or not, felt that some better arrangement could be made.

Well, the deals have now been changed; a new arrangement has been proposed by the very party which, for political advantage, was arousing the sentiment of the rest of Canada against Quebec. The very thing that this minister said could not and should not be done has been done. So, in order to remain where he is, the Minister of Justice—

Mr. Garson: Mr. Speaker, anticipating an attack from the quarter from which it comes of the precise character of the one that is now being made—

Mr. Fulton: Mr. Speaker, I do not mind an interruption—

Mr. Garson: I took the precaution of obtaining the text of what I said. I should have said that I am rising on a question of privilege to affirm the statement that I actually made. The hon. member has said—

Mr. Rowe: That is not a question of privilege. The hon. gentleman is just making a speech.

Mr. Garson: My friend is attributing to me certain statements that I made in the province of Manitoba in the by-election there.

Mr. Fulton: I have not yet quoted the minister. I am going to do so, but I have not yet done so. I suppose he is so proud of his speech that he wants to quote it in anticipation—

Mr. Garson: My hon. friend just finished saying a few moments ago that I said that we were unwilling to consider any other proposal and that our position was that we were

affirming the tax agreements. I have here the statement that I did make and this is it—

Mr. Fulton: Mr. Speaker—

Mr. Garson: I said:

But notwithstanding these facts, Prime Minister St. Laurent, with that patience and fairness—

Mr. Fulton: Mr. Speaker—

Mr. Deputy Speaker: Order. The hon. member for Kamloops apparently quoted the minister, and as I understand it the minister is now rising on a question of privilege to say what he did say on the occasion in question. I do not think I can interrupt the Minister of Justice on a question of privilege of that kind.

Mr. Fulton: With respect, I have pointed out I did not quote the hon. gentleman, although I am going to, to his discomfiture, I think.

Mr. Pickersgill: You did not quote him. You paraphrased him.

Mr. Fulton: I stated the effect of what he said. If the hon. gentleman takes issue with my interpretation of the effect of what he said, then I suggest he is perfectly at liberty to rise and correct me in the course of another speech; but unless I misquote him when I come to the quotations I suggest to you, sir, it is not a question of privilege for him to rise and disagree with my interpretation of the effect of what he said.

Mr. Deputy Speaker: Order. I listened very carefully to the hon. member for Kamloops and I understood him to say that the Minister of Justice had said such and such. If that is not the case, I am glad to be corrected, but if that is what the hon. member for Kamloops said then I think I must hear the Minister of Justice on his question of privilege.

Mr. Garson: Mr. Speaker, what I said was this:

But notwithstanding these facts, Prime Minister St. Laurent, with that patience and fairness and statesmanship which are so characteristic of him at all times, has taken the position in this instance that he is willing to consider, on its merits, any new plan which Premier Duplessis has to offer at the present time.

That was stated in the Selkirk by-election campaign on October 15, 1954, and all these suggestions that any misrepresentations were made by me are quite without foundation.

Mr. Fulton: I think the minister forgets that he has made more than one speech. I think the minister also forgets that even in the one speech he has shown the ability in the past to contradict himself and say things capable of different interpretations. The minister may have said what he has just read. I have not had the advantage of having the text, but I do have with me and shall be reading a Canadian Press dispatch and what his good friend, the Winnipeg *Free Press,* says that he said.

Mr. Argue: That is more official than *Hansard.*

Mr. Fulton: Be that as it may, the fact remains that the very things with respect to the present arrangements between the dominion and the provinces which the government said would not be done have been done, and so in order to remain where he is this Minister of Justice—this upholder of the constitution—is forced to accept the very reverse of the principles he himself enunciated. In order to remain in office he barters his declarations of policy for a further brief and inglorious tenure of his ministerial position.

Let us look at a few of the things he said during the by-election campaign and compare them with the deal he is now prepared to swallow. Last fall, what a brave and outspoken critic he was of any who suggested any modification of the existing taxation arrangements in order to accommodate the views of a large and important segment of our population. Enemies of the federal system, he termed them, although there is some doubt whether there is in fact any greater enemy of the federal system than the present government. The Minister of Justice portrayed the issue as a fight between Ottawa and Premier Duplessis over the tax deals, and he did not hesitate to fan the latent flames of race prejudice.

Mr. Garson: On a question of privilege, Mr. Speaker, the statement which the hon. gentleman has just made concerning any position which I took in the by-election campaign to the effect that I portrayed the issue as a fight between Premier Duplessis and the Prime Minister (Mr. St. Laurent) is absolutely without foundation.

Mr. Hodgson: People did not believe you anyway. They voted for Scottie Bryce.

Mr. Fulton: I think, Mr. Speaker, that as I proceed with my reading I shall persuade even the minister that he is wrong. I have a clipping here from the Toronto *Daily Star* of September 24.

Mr. Knowles: More Liberal than the *Free Press.*

Mr. Fulton: As the hon. member for Winnipeg North Centre (Mr. Knowles) says, more Liberal than the *Free Press.*

Mr. Argue: How could it be?

Mr. Knowles: With a big L.

Mr. Fulton: The heading is: "Drew, Duplessis Both Out to Kill Pacts on Taxes, Garson Says." The dispatch is dated September 24, captioned "Special to the Star," and is from New Poplarfield, Manitoba. It reads:

The fight between Ottawa and Premier Maurice Duplessis of Quebec was made the issue of the by-election Nov. 8 in Selkirk by Hon. Stuart Garson, Minister of Justice, here Wednesday.

As I have mentioned, for his peculiar political purposes the minister went out of his way to link the Hon. George Drew, my leader, with the people of Quebec, against whom the minister was arousing the sentiments of western Canada.

But the hon. gentleman went further. He said in effect that the Liberal party would never make any concessions or changes. I know the minister does not now agree, but I will quote him in a moment. Why, he exclaimed, there could not possibly be anything better than the present arrangements exactly as they now stand. No better scheme could be devised, he said, and those suggesting changes or concessions must be imbeciles, because the best brains in the Liberal party could not find any other arrangement. The Canadian Press quotes him as follows—

Mr. Garson: On a question of privilege, no member of the house has to sit in his seat and have words put into his mouth by which he is accused of calling other people imbeciles when no such words ever passed his mouth. If my hon. friend wants to read newspaper clippings of that sort and for that purpose, I suppose within the limits of the rules one cannot stop him, but I do not think it is a very creditable practice upon his part. I want to add that at no time during the course of that campaign did I call any persons imbeciles, not even my hon. friends of the Conservative party.

Mr. Fulton: The minister has said that it is discreditable. Let me tell him that I think that the campaign of himself and his party in connection with these tax deals has been the most discreditable thing the people of Canada have ever seen. I am amazed that this minister uses the word "discreditable" in connection with a matter of this kind and applies it to somebody else.

Here is what the Canadian Press quotes him as saying. Mr. Speaker, we have had experience of the Minister of Agriculture (Mr. Gardiner) saying that he was misquoted. If the Minister of Justice wants to say he was misquoted, let him say so. It would be to his credit if in fact he was misquoted. But the Montreal *Gazette* of October 16, 1954, carried a Canadian Press dispatch of a speech at Stonewall, Manitoba, made by the minister on October 15, and these words are in quotation marks as having been used by the minister:

One does not need to be a skeptic to doubt that a plan which is being advanced in 1954—

The plan requested by the premier of Quebec.

—has either been considered and rejected in the seventeen years of consideration which this subject has had since 1937, or that it has not been considered because it was not thought to be worthy of consideration.

Those are the words the minister used to describe the attitude of those who suggested there could be some modification made in these taxation arrangements. The same report continues, not quoting the minister verbatim, but reporting the effect of what he said:

Mr. Garson said it is likely that every possible alternative had been considered since the study of federal-provincial fiscal relations began in 1937.

Yet the same gentleman now sits there, continuing in his ministerial position, when an arrangement giving in large measure effect to that request for deductibility is announced by the Prime Minister.

And the hon. gentleman went further still for the sake of his party and the by-election campaign. His own friend, the Winnipeg *Free Press*, reports him as saying that no one who had the interests of the country at heart would ever propose a new dominion-provincial tax conference at the present time. The *Free Press* of October 16, 1954, just three months ago, reports the minister as follows:

Hon. Stuart Garson, Justice Minister, charged here Friday that the proposed new federal-provincial conference on tax rental agreements is being fostered by old enemies of the agreements—"The same old opposition but in a new form".

That is the minister who sits there, quite willing now to accept the statement of his leader—now that the by-elections are over—that it would be a good thing to have this conference at the earliest possible moment. Having joined with his leader, the Prime Minister, in denouncing those who said that for the sake of Canadian unity we should have a new conference to re-examine the dominion-provincial fiscal relations, he now sits in silent but eloquent approval of this complete reversal of position.

And so, for political advantage, the minister described those who felt that a new conference should be held to consider some other approach to the problem of dominion-provincial fiscal relations as enemies of the agreements. He described them as enemies of the western provinces and he fanned the flames of racial prejudice, resorting to an appeal to sectionalism to further his political purposes. Now, however, a new deal is being made.

The position under the tax agreements is being modified. On January 14, his leader, the Prime Minister, who a few months before had joined him in fanning the flames of racial prejudice for Liberal political advantage, is advocating, and in fact is taking, the necessary steps to call a new dominion-provincial conference.

Yet this same gentleman, who only three months before had described those who suggested such a conference as enemies of the western provinces and enemies of the agreements, continues to sit there, although I suggest to you, sir, with respect to him and others who have joined in such a campaign, that any sense of political principle, any sense of shame, any proper sense of political responsibility, would have prompted them long ago to depart from the offices to which they so desperately cling.

National unity is too precious an objective to be played around with for political purposes the way this Liberal government has played with it. Dominion-provincial fiscal relations are too important, too difficult, to be made a political football to be kicked and muddied the way these Liberal cabinet ministers have kicked and muddied them.

After what we have seen, I am satisfied that never again will the people of Canada be misled by the concerted efforts which have been made to portray the serious and consistent suggestions made by my leader and others across this dominion for improving those relations and reviewing the present arrangements, as attacks on the federal system or as representing an attitude of hostility to the poorer provinces. Those very gentlemen who delighted in attacking and vilifying—yes, vilifying—the leader of this party for his stand are now doing the very things which he advocated.

Mr. Pickersgill: May I ask the hon. member a question?

Mr. Fulton: I think my time has very nearly expired. I am anxious not to impose upon the house further a speech which is so very clearly unpopular with the hon. gentlemen opposite. If the minister does not mind, therefore, I shall just conclude.

What we have seen lately is the clearest proof that the attacks made on my leader, whose absence from this house is regretted by all, over the past years for his suggestions and requests for a conference, have been nothing but the lowest form of politics. Now the people of Canada have seen the truth of the situation, and have seen that in order to restore national unity and the relations between the dominion and the provinces to the harmonious position in which they should always be, the very things he advocated are having to be done.

Mr. Speaker, I am happy and proud to conclude by suggesting to you, sir, what I think all members of this house and the people of the nation will now agree with, that is that in this field, misunderstood though he has been, and deliberately misrepresented though he has been, the Hon. George Drew has once again rendered outstanding service to the people of Canada.

Hon. Stuart S. Garson (Minister of Justice): I should like, sir, if I may, and I shall do so very briefly, to clear myself of the imputations which have been cast upon me by the hon. member who has just taken his seat, in the statement which he says that I made in the Selkirk by-election. I believe I can do it quite briefly and quite conclusively by virtue of my having taken great pains to keep a manuscript of my remarks at Stonewall, Manitoba. These are the portions of it which are relevant to the selection which my hon. friend picked out of context and which, in certain other cases, he quoted from newspaper reports. For that I perhaps cannot blame him, because he did not have the actual text of my speech.

This is what I said on that occasion:

> From these few facts then,—and there are many others—it is clear that the continuance of the principle of these tax agreements is absolutely vital to the people of Manitoba. In this game of dominion-provincial relations, the tax agreements are the ball upon which we must never cease to keep our eyes. For with good financial management upon the part of the provincial government of Manitoba, this province, under these tax agreements, is moving rapidly out of debt into prosperity.
>
> It therefore does not bother me in the slightest to have certain newspapers in Canada, including the Winnipeg *Tribune*, say that I am flogging a dead horse in this tax agreement controversy. This controversy over the tax agreements is by no means dead. It is still very much alive; and it will remain alive as long as those who are strongly opposed to the tax agreements still want to find some way of getting rid of them. Some of the opponents of the tax agreements want to call a new dominion-provincial conference. These people seem to think that such a conference would reach a new dominion-provincial arrangement which would cancel the tax agreements. Thus, the controversy over the tax agreements would continue to remain very much alive as long as there are in Canada influential public men and newspapers seeking to replace the tax agreements with something which they regard as a better alternative.

Is there any suggestion in these words of devious plans, or of schemes, or the imputation of wrong motives to those who have opinions which differ from ours? I think not. "For example", I said:

> For example, certain newspapers which do not support either the Liberal government at Ottawa or the Manitoba government are now hinting that as a result of the present discussions between

Prime Minister St. Laurent and Premier Duplessis, some new plan is already on the way which will embarrass us in Manitoba. Mr. Blakely, the Ottawa press gallery representative of the Montreal *Gazette* is reported in its issue of October 6, 1954, as saying that in my request for support for the Liberal candidate, Mr. Shanski in this Selkirk by-election, I had stated that the Liberal party was the only party in Canada which is both able and willing to defend and perpetuate these tax agreements. It is quite true that I did make such a statement, and it is a true statement.

I say on the floor of this house, Mr. Speaker, it is a true statement. All that our friends of the Conservative party have ever contributed to this matter, going back through the years, is to muddy the waters and obscure the issue.

Mr. Fleming: It was all too clear for you this afternoon.

Mr. Fulton: The minister has to explain his own speech.

Mr. Garson: I continue to quote:

Then Mr. Blakely goes on to imply, and clearly imply, that I had been left high and dry by the Montreal developments between Mr. St. Laurent and Mr. Duplessis.

Now, Mr. Blakely is one of the ablest members of the press gallery at Ottawa and his paper, the Montreal *Gazette*, reflects in an authentic manner the viewpoint of large business interests in the city of Montreal and is also a strong supporter of the federal Conservative party headed by Mr. Drew, and of the Union Nationale government of Quebec headed by Premier Duplessis. The voice of the Montreal *Gazette* often speaks with eloquence and carries weight. Yet, in the present instance, the impression which Mr. Blakely has sought to convey in the Montreal *Gazette* is not up to his usual standard of accuracy. In what he has said, he ignores the fact that the tax agreements are sound contracts in writing, entered into between the federal government and nine of the provincial governments of Canada; and that they do not expire until March 31st, 1957.

Unless the provinces who have signed these agreements are prepared to agree to their cancellation now while they still have two and one-half years to run, the tax agreements are bound to remain in effect and to cover the relationships between the federal and provincial governments to which they will apply until March 31st, 1957.

The Montreal *Gazette* and other newspapers which have supported the Hon. Mr. Duplessis and the Hon. Mr. Drew in their opposition to the negotiation of the tax agreements—

And there was that opposition. If we have tax agreements now it is not thanks to the present leader of the Conservative party.

Mr. Fleming: If we have a conference coming up now we can thank him for it, and you know it.

Mr. Garson: To continue:

The Montreal *Gazette* and other newspapers which have supported the Hon. Mr. Duplessis and the Hon. Mr. Drew in their opposition to the negotiation of the tax agreements, are now showing their continued opposition to them in their hints and veiled prophecies that what they refer to as "the Montreal developments" have left western Liberals, to use their words, "high and dry". The best short reply to these kindly speculations is Mark Twain's remark concerning a false report of his deatn. He said that this report was greatly exaggerated. So are Mr. Blakely's fears concerning the continuance of the tax agreements.

For having had the honour of meeting most of the premiers and provincial treasurers of the Canadian provincial governments, I have formed quite a high opinion of their ability. I am confident that they are not going to throw away the benefits of the present tax agreements except for an alternative that will leave them at least as well off as they are under the agreements.

Long years of effort upon the part of able and experienced men have been put into the formulation of the tax agreements. It is, therefore, not surprising that these agreements have proven to be by far the best method of dealing with dominion-provincial relations in the field of public finance. During all of these long years of discussion and deliberation, first of all by the Bank of Canada in 1937, then by the Rowell-Sirois commission, then by successive conferences between the federal government and the governments of the provinces of Canada in 1941, again in 1945, and 1947, and then again in 1951, it seems likely that all the available alternative methods have already been considered for meeting the problem which is being solved by the dominion-provincial tax agreements. One does not need to be a skeptic to doubt that a plan which is being advanced in 1954 has either been considered and rejected in the 17 years of consideration which this subject has had since 1937, or that it has not been considered, because it was not thought to be worthy of consideration.

Mr. Fulton: Then you turn around and adopt it.

Mr. Garson: To continue:

It would indeed be rather strange that such large numbers of able and experienced men in the field of public finance and dominion-provincial relations would in all these years of consideration have overlooked some really practicable solution to this problem. But notwithstanding these facts, Prime Minister St. Laurent with that patience and fairness and statesmanship which are so characteristic of him at all times, has taken the position in this instance that he is willing to consider, on its merits, any new plan that Premier Duplessis has to offer at this present time.

Now I want to ask my hon. friend from Kamloops (Mr. Fulton), who ordinarily is a fair debater in this house, if he can find in these remarks the least semblance of the picture that he tried to portray fifteen or twenty minutes ago. This was a statement made in the Selkirk by-election in an endeavour to lay before them all the facts, both pleasant and unpleasant, in as frank and candid a manner as possible.

Mr. Fulton: I would answer the minister. I thought it was a bad speech when I read about it, and I still think it was a bad speech, after the hon. member has repeated it. Neither it nor its contents improve with repetition.

Mr. Garson: I have never worried very much about my hon. friend's opinion as to whether my speeches are bad or good, provided he does not misrepresent them.

Then I went on to say—

Mr. Rowe: Would the minister permit a question?

Mr. Garson: Yes.

Mr. Rowe: In fairness to some who are not able to answer in this house, I would like to know if the minister could tell us if the release that he kept so carefully was released to the press—because there is such a variance between what appeared in the Montreal *Gazette* and the Winnipeg *Free Press* and the Toronto *Daily Star,* and the release he is now reading—and when he has kept the release so carefully—

Mr. Garson: It was not only released to the press but it was mimeographed and sent around to an even wider audience. But I am sure my hon. friend, with his long experience in public life, knows that when any public man supplies the press with a copious release, a complete release, in many cases the press has not room in its paper to publish all of the speech, and they make extracts from it, and write headlines and they editorialize upon it. I am not complaining in the least degree about this—about the treatment by the press of this speech—not in the least. I am amazed that, with the space they have available, they can do as good a job as they do with these remarks.

Mr. Rowe: I would like to ask the minister if he read it as carefully in Selkirk as he is reading it now.

Mr. Garson: Yes, I did. I did not read it word for word, but I used fully its substance.

Mr. Fleming: Would the minister permit a question?

Mr. Garson: Yes.

Mr. Fleming: When the minister now speaks of the variance between his remarks and those attributed to him in the press, why did he not at that time correct the erroneous newspaper reports, instead of waiting to do it three months later?

Mr. Gardiner: Did you ever try that?

Mr. Fleming: Yes—every time.

Mr. Garson: Because I was then engaged in an election campaign, travelling long hours every day, and making at least two speeches a day. And in many cases I did not see the newspaper report of this or any of these other speeches until several days after; and I was too busy then to bother about the exact wording of them. And I certainly never thought that they would be put to such use as the hon. member for Kamloops has put them in this chamber this afternoon.

[Mr. Garson.]

Then I would like to read now a further quotation from my concluding statement, to indicate the spirit and the basic meaning of these remarks at Stonewall. I said this:

> Mr. St. Laurent, long before he entered political life, was appointed by Prime Minister Mackenzie King as the leading counsel of the Rowell-Sirois royal commission on dominion-provincial relations, of whose report on dominion-provincial relations the present tax agreements are largely the outcome. It is therefore not surprising that the Prime Minister with his great grasp of this whole subject matter, with his adherence to principle and his desire to promote the interests of the whole of Canada, is not departing from the principle of the present tax agreements when he offers to consider some new method. The end of the tax agreements remains the same. The tax agreements are the means to that end at the present time. If those who were opposed to the tax agreements from the beginning and are still opposed to them can, even at this late hour, submit a better means to that end than the tax agreements, the Prime Minister has stated that the federal government is willing to consider that means. But it is not willing to change the end. The end is, as the Prime Minister has stated, to build up a prosperous Canada from coast to coast by equalizing the tax revenues of the 'have' and 'have-not' provinces.

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, having waited for some time to get the floor while the Minister of Justice was reading the speech he made in the Selkirk by-election I am not surprised that the Liberals lost that election.

It was my intention to sit out this debate, not because I had no questions to raise or because there was nothing in the speech from the throne that I disagreed with. The unemployment situation, however, is so serious in my city and province that I am sure the people, particularly of Vancouver, would think it strange if I did not raise my voice in regard to it. Most of what I shall have to say will be in regard to unemployment.

Before I deal with that there are one or two matters I should like to refer to. First I want to comment on a statement made by the hon. member for Pontiac-Timiskaming (Mr. Proudfoot) when speaking in this debate on January 17. He was referring to the educational system of British Columbia and was replying to some statements made by the hon. member for Burnaby-Coquitlam (Mr. Regier). I am not coming to the defence of the hon. member for Burnaby-Coquitlam; if he needs any defence he is quite able to make it himself; but I do come to the defence of the educational system of the province of British Columbia. This is what the hon. member for Pontiac-Timiskaming said, as reported on page 274 of *Hansard*:

> Why does not the hon. member take time off to compare the rights of minority groups in his province of British Columbia with those in Quebec. At this time I have in mind a place called Maillardville, British Columbia, and if I am not wrong I think possibly Maillardville is in the constituency of Burnaby-Coquitlam. I would ask him to

examine the school laws of his province before he launches an attack on my province, and before he assumes to give advice to the people of Canada.

May I tell the hon. member, and any other hon. member who does not know, that under our constitution in British Columbia we have a free, non-sectarian public school system. No questions are asked of a child entering a British Columbia school as to whether he is Jew or Gentile, whether he is Roman Catholic or Protestant, whether he is Baptist or Witness of Jehovah. All that is nesessary is that he be a resident of British Columbia and of school age.

Not only is our school system free and non-sectarian, it is also compulsory. If a child is living in an outlying district where no educational facilities are available he gets his education by correspondence. Children living in localities where there are schools must attend them. On occasion we have taken parents into court in British Columbia in order to force them to send their children to school. I have never known of a parent coming to courts in order to get a school to accept his children. This is something for those who would criticize the British Columbia school system to inform themselves about.

If there are people in Maillardville or in any part of British Columbia who do not think the school system is good enough for them, who set up their own schools, then they are the people who are creating minorities; they are the people who are creating double taxation in British Columbia.

Mr. Dufresne: How many Roman Catholic parents have to pay in order to keep their own schools in British Columbia?

Mr. MacInnis: We have no—

Mr. Dufresne: Is there any difference between the minorities in Quebec and those in British Columbia?

Mr. MacInnis: We have no minorities in British Columbia as far as our school system is concerned except those who purposely make themselves a minority. British Columbia provides an education for every child in the province, elementary and high school.

Mr. Dufresne: What about the minorities in Quebec?

Mr. MacInnis: The hon. member asked a question and I answered it. I may tell my hon. friend that in British Columbia we provide a school system which is in perfect conformity with the British North America Act and consequently we are not discriminating against anyone. If people set up their own schools and subject themselves to double taxation it is not done under the laws and regulations of the school system of British Columbia. If a private school is set up the parents whose children attend such schools pay for their upkeep. They must also pay the public school taxes.

I want to say a few words with regard to the subamendment moved by the leader of this group when he spoke on the address. This subamendment reads as follows:

That the amendment be amended by inserting therein immediately after the words "Your Excellency's advisers" the following words:
"have deliberately returned to the policy of uncontrolled and unplanned private enterprise which resulted in the depression and unemployment of the pre-war years, and that Your Excellency's advisers have failed to undertake the economic planning necessary to cope with the serious problems now facing the Canadian people, and"

I shall undertake from government publications to show that the government has departed from that. First, may I say a word with regard to a comment by the hon. member for Vancouver South (Mr. Philpott) when referring to this amendment. This comment may be found on page 103 of *Hansard*, and it reads as follows:

May I say also that when I heard the mixed laughter and cheers I felt just a wee bit sorry for my good friend the leader of the C.C.F. party (Mr. Coldwell) because he seemed to me for just a moment to be like one of those fellows who went to swim in English bay at Vancouver on New Year's day. As he was just about to take the plunge somebody got away with his swimming trunks and for a moment he was in a rather embarrassing predicament.

I think what the hon. member for Vancouver South was trying to say was that the Conservatives were cribbing from the C.C.F. program. Probably that is true enough, but the Conservatives are not the only people who have been cribbing from the C.C.F. for years. I should like to read a statement by a prominent Canadian which appeared in *Maclean's* magazine of August 1, 1953. The man being interviewed was Mr. Hugh MacLennan, a noted Canadian author. Along with some other people he was giving reasons why he voted Liberal in the 1953 elections. Mr. MacLennan voted Liberal and in part this is what he said:

As I live in the province of Quebec, it is pointless even to consider the claims of Social Credit. They will run no candidate in my riding. Nor is the C.C.F. likely to do so either. In any case the C.C.F. is in the position of a man whose store has been robbed, and robbed consistently, for more than ten years.

By whom? Not the Conservatives. At least not according to this Liberal.

The Liberals have lifted so much of Mr. Coldwell's stock and sold it under their own trademark that he has been left with little of his own that would tempt me to buy.

If the Liberals did not get away with his trunks that was, I imagine, an oversight. Personally I am proud that other political parties have had to pilfer from the C.C.F. because it demonstrates two things. It shows that we have something and that as far as policies are concerned the other parties have very little. You have never heard of anyone breaking into a poor house. You have often heard of people breaking into a bank. Well, the C.C.F. has a bank of good ideas.

The unemployment situation has been referred to by many speakers during this debate, and that is quite proper because it is a very serious question in this country today. However, some speakers on the government side when referring to unemployment always draw attention to the fact that though there is considerable unemployment there are over five million people working. I believe the last person to refer to this was the hon. member for Swift Current-Maple Creek (Mr. Studer). I always feel that when a person deals with the unemployment situation in that flippant manner you may be certain of three things, namely that he has a full belly, a warm back, and a decent place to sleep. If they themselves were unemployed it would be little comfort for them to know that others were employed.

The hon. member for Swift Current-Maple Creek had this to say, as reported at page 336 of *Hansard* for January 19:

> When we hear the people who have no hope and who live in despair speak, they talk about unemployment—and there is unemployment. It is an evil that should be eradicated. Yet, there are well over five million people employed in Canada, five million people who are able to earn their own living at perhaps as high wages as earned by any people in the world.

And we all agree.

> That is not done as a matter of course; it did not come about on account of any socialist party or policy in Saskatchewan or anywhere in the world. It came about because of Liberal principles that have been in evidence not only in Canada but throughout the whole world. Those Liberal principles reflect themselves in free trade throughout all of the world, which bring us to a united front and a united attack upon the evils that may exist not only in Canada but throughout the whole world.

There is not very much you can make out of that except that the hon. member is saying the Liberal party is responsible for the conditions that prevail in this country, or have prevailed up until now. But if they are responsible for the relative prosperity of the last decade and a half they are also responsible for the unemployment of today. They cannot take the credit for one without taking responsibility for the other.

But I would like to draw the hon. member's attention to a government publication in order that we might determine exactly who is responsible for the prosperity we have had for some years and which is more or less still with us. I am quoting from what we usually call the "green book" proposals of the government of Canada, August 1945. In outlining national problems and objectives the "green book" has this to say:

> The preparations must be undertaken against the background of severe depression and the enormous dislocations of war. Under the conditions which existed for nearly a decade prior to 1939—

During which time the Liberal party was in office for at least half that period.

> —the Canadian economy did not provide adequate opportunities for employment and enterprise; the deficiencies in the provisions for social welfare became strikingly apparent; the structure of government finance in our federal system developed basic strains and weaknesses. The war came before solutions to these problems were reached.

Is the hon. member for Swift Current-Maple Creek saying that the government brought about war in order to find a solution to unemployment in 1939? That is what appears to be the case, though I do not contend that for one moment. I am saying that the war came in spite of the government and it was war, fear of war, and preparations for war, that put an end to our difficulties in 1939 and has kept our "prosperity" going from 1939 until the present time.

An understanding of these simple facts should be kept in mind by people who try to give us lessons on how things happen.

I wish now to refer to the unemployment situation in my own city, but before doing so I want to draw the attention of hon. members to the statistics which are available with regard to unemployment. I imagine most hon. members get a copy of the press release on unemployment each month. I have it now. This press release is issued jointly by the Department of Labour and the dominion bureau of statistics and covers the employment situation for the month ending December 9, 1954.

There are two estimates of the number of unemployed. One is made by the dominion bureau of statistics on the basis of sample questions. But another, and in my opinion a much better one, is that issued by the national employment service. I think it rather confusing to have two estimates of the unemployment situation placed before us each month.

The dominion bureau of statistics states that unemployment for the period—I believe up until December 9—was 247,000 or 4·6 per cent of the labour force. The national employment service, however, puts the unemployment figure, based on the applications for employment at national service offices, at

362,700. I believe in all the circumstances that the latter is the best estimate. Let me show why I say that. The labour force survey estimates, according to this press release, are subject to sampling error. It adds:

> In general, the smaller the estimate the larger is the relative sampling error.
>
> Statistics of applications for employment at the national employment service offices of the unemployment insurance commission are derived from a count of the applications on hand in every office at the close of business on a specified day.
>
> The count excludes registrations from persons known to have a job and applying for another one. Measures are also taken to exclude as far as possible persons who have secured work on their own since registration. Nevertheless, the figures inevitably include a number of persons who have found employment or who have left the labour force by the time the count is made. On the other hand, not all persons who are looking for work register at the employment offices.

In view of all these circumstances, when you rule out those that the employment service know have jobs and when you take into consideration the number of people who are not registered, you are likely to have something fairly close to the right estimate. I therefore suggest to the minister that the people of Canada should have one figure, one estimate, as to the number of unemployed and that that estimate should be as accurate as possible. I believe that the estimate of the employment service of Canada is the best.

I maintain that the situation is extremely serious and that it cannot and will not be remedied by what we have done so far in the matter of amendments to the Unemployment Insurance Act. I have in my hand a news item from the Vancouver *Province* of October 22—that is three months ago—and I just want to draw the attention of the house to some of the facts given in this news item:

> Salvation Army is finding the problem of unemployed men too big to cope with at its hostel here and thinks the government should step in now and help out . . .
>
> Red Feather donations are a vital aid to the operation, but the job is just too big to cope with adequately, he says.

That is the superintendent of the Salvation Army hostel for the unemployed. Then he says this:

> "The number of unemployed employables in Vancouver is growing daily. We are more than twice as busy as we were at this time last year."

May I draw the attention of the house to the fact that, according to the registration in the employment service bureaux, unemployment increased by over 3,000 a day in the 21 days from November 18 to December 9. The superintendent continues:

> "Our big hope is that the government will step in early and help these men."

That big hope is gone because the government has not stepped in early and the situation is daily getting worse. One of the sad things about this situation is that many of the men who are unemployed are young men. This is what these people say about the situation with regard to them:

> The men, many of whom are in the younger age group, have been employed in casual jobs during the summer months but have not enough stamps in their unemployment books to be eligible for jobless benefits.
>
> "When they come to us they are really suffering, have no place to stay and have often gone some time without food." . . .

These are young men. When the war was on, every young man was working if he was not in the army; and if he was in the army, he was well dressed, well fed and had a decent place to sleep. But now that we do not need these young men for that purpose, —these young men who in a few years will be mature men in charge of Canadian affairs—they have to go around this rich country without food, without proper clothing and without a place to stay. The article continues:

> "We try to give them emergency aid quickly and then make every effort to find jobs for them."

Then reference is made to the fact that their biggest difficulty is with those in the 50-65 age group. Then there is another thing that is rather strange to which I want to draw attention:

> There are few immigrants in the unemployed employable category.
>
> "Most of them seem to be doing all right and the Canadian immigration department does step in to provide room and board if required," he explained.

If the government, through its department of immigration, can provide assistance for people who have come here overnight, surely they can step in and provide that service for people who have been resident in the country for years. I never heard of anything quite so unfeeling as the sort of treatment that has been accorded. I suggest to the government that what has been done so far is not good enough.

I have in my hand an editorial that appeared in the Vancouver *Province* a month later than the news item to which I have just made reference, namely on November 15, 1954. The heading of it is "Empty Stomachs Can't Wait". I am not going to quote the whole of this editorial, but part of it is to the point. It states in part:

> But we, in Vancouver at least, have a special problem on our hands, a problem that we hope is only temporary but which is nonetheless extremely grave while it lasts. Because of our mild climate we have inherited not merely a local unemployment problem but the unemployment problem of many other western communities as well.
>
> Our problem is becoming a problem that should be shared by the national government and our civic and provincial representatives should make sure Ottawa is made fully aware of that fact.

I have no doubt that the civic government of Vancouver and the provincial government have made the federal government aware of the facts, but to no avail. That is the reason I am obliged to take up the time of the house now in order to try to make this government aware of the problems confronting many Canadians not only in Vancouver but throughout Canada.

I see that it is six o'clock, Mr. Speaker.

LABOUR CONDITIONS

REPORTED SETTLEMENT OF FORD STRIKE—REQUEST FOR STATEMENT BY MINISTER

Miss Sybil Bennett (Halton): Mr. Speaker, on a question of privilege, may I ask a question? In view of the fact that the Minister of Labour (Mr. Gregg) was kind enough to send me a message saying that the Ford strike is reported to have been settled, may I return that kindness by asking him if, on this memorable occasion tonight, he will make some comment as to what this will mean to the people of Canada?

The Acting Speaker (Mr. Applewhaite): If I understand the hon. member rightly she is suggesting that, by consent of the house, the Minister of Labour be granted permission to make a statement. Does she mean at eight o'clock or now?

Miss Bennett: As the matter is so important, I would suggest that it be done right now, if possible.

The Acting Speaker (Mr. Applewhaite): Is it the unanimous wish of the house that we revert to motions in order that the minister may make a statement?

Hon. Hugues Lapointe (Minister of Veterans Affairs): I think it had been agreed with all groups in the house that the Minister of Mines and Technical Surveys (Mr. Prudham) would ask at eight o'clock that we revert to motions in order that he could make an important statement. I suggest that if the Minister of Labour wishes to make a statement on the Ford strike, he could do so after the Minister of Mines and Technical Surveys has made his statement to the house. Would that course be agreeable?

Hon. Milton F. Gregg (Minister of Labour): I thank my hon. friend for her courtesy. I think I should say this before six o'clock. I think I should remind hon. members that this industrial dispute at Ford has been a matter that has been constantly within the provincial jurisdiction. In saying that, I say too that I know that as it has gone on Hon. Charles Daley, minister of labour in Ontario, has done, time and time again, his utmost to bring the strike to the happy conclusion which has been reached today, according to the press. I have not at this time the details, but if it is the wish of the house, I could make a statement later, having made these provisional remarks indicating that I as federal Minister of Labour cannot and do not wish to take any credit whatsoever for the settlement of this strike. Nevertheless I can tell the house that it fills me with a great degree of satisfaction because of the effect it will have upon a great industrial portion of Ontario, a portion of Canada which has been experiencing the difficulties referred to a few minutes ago by the hon. member for Vancouver-Kingsway (Mr. MacInnis). But I will discuss the matter with my colleagues during the dinner hour and one or other of us will convey to the house any information that may be available regarding the terms of the settlement.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Gregg: At six o'clock, Mr. Speaker, at the suggestion of the hon. member for Halton (Miss Bennett), you asked for unanimous consent for me to make a statement regarding the reported settlement of the Ford strike. I hope, sir, I have unanimous consent so to do.

Mr. Speaker: Has the minister unanimous consent?

Some hon. Members: Agreed.

Mr. Gregg: I then reminded the house that this long labour dispute was in an industry which comes under the jurisdiction of Ontario labour legislation and that the various efforts at government conciliation had been conducted by the Hon. Charles Daley, Ontario minister of labour, and his department. During the dinner hour I made some inquiries and learned that the negotiating committees representing the two parties will be making, or perhaps have already made, their own official announcement. I feel, therefore, we should wait until that is done to learn the details of the settlement which, I understand, are to be considered by the members of the union at a meeting called for next Sunday.

I am quite sure, Mr. Speaker, that all in this house rejoice at the prospect of work being resumed in this great enterprise. We sincerely hope that today may have marked the beginning of a long period of industrial peace in Canada's automobile industry.

EMERGENCY GOLD MINING ASSISTANCE

ANNOUNCEMENT OF AMENDMENT TO CHANGE RATE

Hon. George Prudham (Minister of Mines and Technical Surveys): With your permission, Mr. Speaker, I should like to make a statement at this time, preliminary to the resolution that is now on the order paper affecting the gold mining industry.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Prudham: The government proposes to extend the Emergency Gold Mining Assistance Act for two years, 1955 and 1956. Payments will be made on a different basis than formerly. The formula for assistance payments to gold mines consists of two factors. The first is the rate of assistance, and the second the portion of the production to which the rate of assistance applies. The proposed new bill maintains these two parts, but they have been somewhat simplified.

The rate of assistance has been revised and will be the amount that is two-thirds of the amount by which the average cost of production of gold from the mine during the year exceeds $26.50 per ounce. The rate of assistance in any event will not exceed $12.33 per assistance ounce. This leaves the ceiling at $45 per ounce allowable costs, the same as it was before, but raises the lower limit to which costs apply from $18 to $26.50 per ounce. Under the new proposal payments will be made on two-thirds of the production during the current year.

A resolution supporting this proposal, as I have said, is already on the order paper and will be before the house at an early date. I have extra copies of this statement here if any hon. member wishes to have one.

Mr. Michener: This procedure, Mr. Speaker, is perhaps a little difficult to understand. I take it that the minister does propose to introduce a resolution to make the introduction of the bill possible, but at this time I feel it would be proper to ask when it is intended to introduce the resolution so that the matter can be the subject of a debate. I should like to ask the minister as well the reason for the necessity of making the statement in this way at this time. It is an interruption of the debate, and members who are interested in the effect of this resolution will not wish to debate it on such short notice and knowledge of its terms as we have been given tonight. I would appreciate an answer to the questions I have asked.

Mr. Prudham: I cannot say exactly when it will be brought before the house, but I expect it will be at an early date. I believe the reasons for making the announcement in this way are obvious. We purposely did it at this time because the stock exchanges across the country are closed. In recent years it has been the custom for the Minister of Finance to make an announcement at this time of day for the reasons mentioned.

Mr. Michener: I appreciate the reason to some extent, but the stock exchanges are closed every night. Why should it be made at this particular time, instead of being introduced in the usual way? I feel that question is worthy of a more complete explanation than we have had from the minister.

Mr. Rowe: Can the minister tell us when it will be brought up?

Mr. Speaker: Does the minister wish to explain further?

Mr. Prudham: Someone has asked me to state more specifically when it will be brought up. I expect it will be after the termination of the debate on the throne speech, but I cannot say exactly what day. I hope it will be in the near future.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Rowe, and the amendment to the amendment of Mr. Coldwell.

Mr. MacInnis: I wonder if I could say a few words, Mr. Speaker, on the statement the Minister of Labour (Mr. Gregg) has just made. First of all, I should like to say how glad I am that the great industrial struggle is over, as I am sure every member in this house is. During the time of this strike I have been thinking that huge industrial strikes of this kind, long drawn out, are perhaps in the same position as modern wars, that nobody wins.

Having had a settlement of this dispute after it has cost the parties concerned so much, possibly this would be a good time for some sort of committee—I do not know what you would call it, public relations or something of that kind—to continue explorations into the possibility of finding some way of dealing with these disputes after they have gone through the usual procedure and before a strike is called. I do not know whether or not I have made my idea clear to the minister, but I cannot think of anyone better than the

minister himself to approach the leaders of the trade unions and industry to discuss the possibility of avoiding long strikes of this kind in the future.

Shortly before my remarks were interrupted by the dinner recess I referred to the fact that newly arrived immigrants to Canada were provided with board and room if they were unemployed. I hope I did not give the impression that I objected to that being done. Certainly I do not, and I hope it will continue to be done as long as it is necessary. We should not bring people to this country unless we are sure there will be work for them. If there is no work for them, we should look after them.

What I have been complaining about is that we seem to be doing more for the newly arrived immigrants than for the residents of Canada. During my remarks I mentioned conditions in Vancouver. I have here a pamphlet issued by the Canadian Welfare Council urging that something be done to provide a public assistance program for the employable unemployed. I want to draw to the attention of the minister and the house some of the conditions mentioned by the Canadian Welfare Council. As I said—and I mentioned the city of Vancouver—the first paragraph in this program says:

> Appeals by the Salvation Army in North Bay "for donations of soup-bones, vegetables, and bread to feed transient men and their families", the re-introduction of used clothing drives in Windsor, the opening of soup-kitchens in Vancouver, and similar reports reaching the Canadian Welfare Council in recent weeks from many parts of the country, are evidence of the fact that there are still a great many unemployed workers in Canada whose essential needs are not being met.

I was wondering why the words "there are still a great many unemployed workers in Canada" are in here; but I imagine they are here because of the optimistic reports made from some government sources that the unemployment situation is on the up and up, although it is on the down and down.

Commenting further on the situation, this pamphlet goes on to say:

> The head of a family who is denied help by municipal authorities on the ground that he is "employable" may be referred from one organization to another to beg for clothes, groceries for his family, or money to stave off eviction. He may stand in line for a bowl of soup to relieve the pressure on the food supply at home. Even though he can manage to keep his family alive, the loss of morale due to stop-gap measures, the need to seek help from several agencies, each meeting only part of his need, tend to discouragement and weakening of family ties.

I submit that these are the conditions which now prevail in this rich country, where so many of us are so well provided for and so happy. And it is, truly, a sad commentary on our social organization and our social outlook that we should allow people to have to beg for soup bones and to have to beg for other people's cast-off clothing. Surely when they have to do those things it must leave scars on the human personality that will take many, many years of good living to eradicate.

The Canadian Welfare Council is suggesting that the various governments—municipal, provincial and federal—should organize a conference at which this situation could be discussed. And may I draw attention again to what I said quite recently in this chamber on another occasion, that how quickly and how effectively we act in this matter should not depend upon whether there are 20,000 unemployed or 200,000 unemployed. The needs of 20,000 are just as urgent, and it is just as necessary to look after their needs in a humane and civilized way as it is to look after the needs of 200,000 or 300,000, or whatever it may be.

Now I shall read a very short paragraph summing up the view of the Canadian Welfare Council. It says:

> The Canadian Welfare Council urges all governments in Canada, federal, provincial and municipal, to take such action as may be required to bring about a conference on the subject of public assistance for the employable unemployed, in order to determine the most appropriate allocation of governmental responsibilities for meeting the needs of those unemployed persons not protected by the provisions of the Unemployment Insurance Act and to ensure that a program for this group is established with the least possible delay.

I give my support to that; but I submit that it is not enough at this time. We cannot wait now. As the editorial in the Vancouver *Province* says, empty stomachs cannot wait. We cannot wait now for a conference of this kind. We want something done now, done today, in order that we may eradicate this shame from our country.

The federal government in 1945 gave a firm commitment to the people of Canada that it would take the responsibility for dealing with this matter of employable unemployed. After learning the lessons of the depression, and after learning the lessons of abundance during five or six years of war, the government came out with an analysis of that situation, and a program to meet it.

I am going to put it on the record again and, although it has been done before, I make no apology for doing so now. Before the dinner recess I read a short paragraph from this book "Proposals of the Government of Canada, August 1945", where they pointed out that the war came before solutions to our main problems were reached. Let me read just a little more:

> The difficulties of the depression were quickly submerged in the great national effort against aggression abroad.

Now there is aggression at home, the aggression of unemployment. It continues:

The winning of the war became a single dominant purpose to which all lesser demands and objectives were subordinated. The obstacles to united effort were removed by the willingness and patriotic desire of all groups to accept sacrifices and restrictions in order to ensure victory.

Now, I do not expect people to act in peace just the same as they do in war, even if the need is to relieve the distress of their fellow man. But people who stand in the way should be exposed by the government of this country, in the same way as they would have been exposed if they had stood in the way during the time we were at war. That is the government's responsibility; and unless they are willing to do that, there will always be selfish people who will stand in the way of progress.

I continue to read:

The federal government was responsible for the organization of the national effort and there were no limitations upon its power to do so. These circumstances and the co-operative spirit of the provincial governments made it possible to overcome, or temporarily to set aside, the factors which have impeded the development of solutions to difficulties of the past.

Let me draw the attention of the house to this next sentence—and it is not ten years yet since this was said. It represents the government's opinion in 1945. The people of Canada were looking forward to this, and the day of disillusionment comes in 1955:

The accomplishment of our aims in the post-war period must, no less than in war, be an object of national endeavour.

I ask the Minister of Labour (Mr. Gregg), and any other minister sitting in front of me, if that is what they are doing today. Is that what they are doing?

The accomplishment of our aims in the post-war period must, no less than in war, be an object of national endeavour.

Well, I am sure, if it were, they would get a lot of help from the people of Canada. As I said before, there might be some selfish persons who would stand in the way; but the help and co-operation they would get from the rest of the people of Canada would be so great that those obstacles would be insignificant.

Then it continues:

Success in the attainment of high levels of employment, increased welfare and security, is dependent upon the fruitful co-operation between all governments and groups in the country. It is the responsibility of government to pursue policies that create conditions in which the initiative, energy and resourcefulness of individual citizens can achieve rising standards of life.

And if that is not accomplished, then it logically follows that it is the duty of this government itself to do those things which private enterprise fails to do. That is its responsibility, either to do that or to abdicate.

Let me draw the attention of the house to the commitments which the government gave to the people of Canada in 1945, to be found on page 7 of the "Proposals of the Government of Canada" which I have mentioned already. These are:

To achieve the large objectives we must set for export trade, domestic consumption, private and public investment will require a closely integrated effort. The general principles guiding this effort must be explicit and clear as they will form the framework within which the specific plans and arrangements must be worked out. To this end the government briefly sets forth the basic principles underlying its proposals.

In familiar terms, our objectives are high and stable employment and income, and a greater sense of public responsibility for individual economic security and welfare.

Who is taking responsibility today for the more than 300,000 unemployed?

Realization of these objectives for all Canadians, as Canadians—

Not just Canadians who are employed or in business, but all Canadians, which would mean Canadians who are unemployed.

—is a cause in which we would hope for national enthusiasm and unity.

I have pointed out to the minister and the government that they will have national enthusiasm and unity the moment they start to do something; but they will not have any enthusiasm or unity as long as they just sit and look at the problem and hope that something will happen to solve it for them. I continue to quote:

The government has clear and definite views on how these objectives can be attained.

I hope the ten years which have intervened since 1945 have not dimmed that clear and definite view.

These views may be summarized very briefly as, first, to facilitate private enterprise to produce and provide employment; secondly, to promote bold action by the state—

Just think of this government promoting bold action to provide for Canadians.

—in those fields in which the public interest calls for public enterprise in national development; thirdly, to provide, through public investment, productive employment for our human and physical resources when international and other conditions adversely affect employment;

I say that those conditions are here now; international and other conditions are adversely affecting employment and this is the time when the government should act as it committed itself to the people of this country in 1945 to act. I continue:

fourthly, to provide, on the basis of small regular payments against large and uncertain individual risks, for such hazards and disabilities as unemployment, sickness and old age.

I turn now to page 42 of this book and then I will be finished with my quotations. The government went on to say how these things could be done. It outlines the necessary requirements of a dominion scheme of unemployment assistance. I shall leave out (a), which is not particularly necessary at the time, although it is very good, and go on to (b), which reads in part:

The principle of dominion policy on the other hand is not the provision of relief, but the assurance of either a job or of a subsistence income in lieu of a job,—

I think subsistence income means a living income to provide an ordinary decent standard of living.

—if necessary for a substantial period of time, available to employable persons who are able and willing to obtain a job whenever possible.

Does the government think that it is fulfilling that condition when it provides a paltry $24 a week in the form of unemployment insurance for 60 days? It is not. Then I go on to (c), which reads:

(c) A further requirement is that the dominion plan should not attempt to establish differentials in rates of benefit between provinces, or between localities in a province, or between rural and urban areas as such; national action of this sort must be based upon a uniform national system.

(d) The plan proposes acceptance of dominion responsibility for unemployed employables, and provincial and local responsibility for unemployables, but it is recognized that this division presents problems of definition in some individual cases, and that in operating practice the only final test of employability is ability to get and hold a job.

I think my time is about up, but I do want to draw attention to the fact that in 1945, as outlined on page 43 of this book, the government plan proposed the acceptance of dominion responsibility for unemployed employables. I freely admit that unemployment could be much worse in the country than it is, but why wait until it gets worse. Why not deal with it now? It is the government's responsibility to provide either work or a subsistence income for those unemployed who are capable of working and who are willing to work. I hope that this commitment will be honoured, because I believe it was made in good faith. I would hate to see the government renege on it now.

(Translation):

Mr. Fernand Girard (Lapointe): Mr. Speaker, I would like to take up again the question of bilingualism in Canada. It is a delicate subject, I admit, but so essential to good understanding between the two great races of this country that I feel I must come back to it. Even at the risk of hurting some feelings, the subject will have to be discussed time and time again until such time as true bilingualism is equally respected by the two great racial groups in this country.

[Mr. MacInnis.]

I base the expediency of dealing with this matter on a statement made in this connection by His Excellency the Governor General, Right Hon. Vincent Massey, who stated in his book, "On Being Canadian", at page 20:

(Text):

There are expressions of bonne entente on both sides, but one cannot build national unity simply on an exchange of compliments. The real compliment between friends is an honest expression of views in the light of mutual understanding.

(Translation):

Mr. Speaker, I doubt if anybody would deny that bilingualism is the main link between the two great races which give this national unity of ours its bicultural character. It therefore follows that the vitality of national unity in this country is largely dependent upon the healthy state of this bilingualism.

May I be allowed to quote certain figures that will illustrate the present state of bilingualism and the condition of that highway to national unity. The figures I am about to quote are from the federal census of 1951, and I find them in an analysis published in the April 1954 issue of *Relations*, page 111 and following. According to those figures the bilingual population of Canada in 1951 was 12·3 per cent of the whole, as against 12·8 per cent in 1941.

It appears, therefore, that bilingualism is inadequate in this country, in spite of the bilingual character of our constitution. Then, too, it has shown a slight decrease in the last ten years, a fact which contradicts the too frequent statements we hear to the effect that bilingualism is gaining ground in Canada.

In addition, 60 per cent of those few bilingual people are from the province of Quebec and the great majority of bilingual people in other provinces are of French descent. Again according to the federal census of 1951, 3·8 per cent only of Canadians of English descent are bilingual.

These few figures lead to the sad conclusion that there is, properly speaking, no true bilingualism in Canada as conceived by the spirit and letter of confederation, since, barring a few exceptions, the only bilingualism practised has been purely and simply a concession on the part of the minority towards the majority. According to the same census, French Canadians, 31 per cent of whom are bilingual, supply 77·5 per cent of all the bilingual people in the country, whereas Anglo-Canadians, of whom only 3·8 per cent are bilingual, supply 14·6 per cent of all bilingualism in Canada.

The tragic conclusion to be drawn from this situation is that the only effort towards genuine good understanding has been made by French Canadians, who make up the only group to have practised a bilingualism worthy of mention.

Well, Mr. Speaker, instead of rejoicing over our worthier effort, we should perhaps feel sad because, when it is a one-sided practice, bilingualism becomes a neat form of assimilation. Before continuing to preach bilingualism among our compatriots, we have reached the point where we have to demand it from our English-speaking fellow citizens; otherwise, I repeat, our bilingualism will become a polite method of anglicization.

Some might bring forward the oft repeated cliché that our bilingualism has given us a practical superiority in the social development of the nation. There again, Mr. Speaker, figures deny this statement which has so often misled our French-speaking compatriots.

To convince us, let us see what bilingualism has brought us, in the very heart of Canadian life, namely in the federal civil service.

Setting aside gratuitous assertions, I have endeavoured to compile some figures which would give as accurate an idea as can be given of our representation in our federal civil service. For that purpose I took the public accounts for 1954, and went over the list of high officials in the various departments, taking those who earn more than $5,000 per year. Taking down the total number of high officials in each department, I counted every French Canadian name and established the average for each department. One may object that such a method cannot be accurate since, very likely, there are French Canadians with English names and vice versa, names which I must have missed in computing my average. I will answer immediately that argument with a reference from the 1951 federal census, which gives us the proportion of people in both ethnic groups who changed from one language to the other.

In 1951, there were in Canada 61,291 people of British origin who gave French as their mother tongue, and 342,678 people of French origin who stated that English was their mother tongue. That shows that any trend toward assimilation is more than five to one against us, which proves that the margin of error resulting from possibly misleading names, when I counted those high officials, works against the French-speaking group.

Here we have, then, according to the public accounts published by the Department of Finance for 1954, the way in which French Canadians are represented in each department.

Proportion of French Canadians in the Federal Civil Service

Salaries over $5,000.00
(Public accounts figures—1954)

Department	No. of Wage-Earners	No. of French Can.	Per cent of French Can.
Agriculture	1058	102	9·6%
Auditor General ..	23	4	17·3%
Citizenship & Imm.	115	20	17·3%
Civil Service	96	22	22·9%
Defence Production	221	20	9·0%
External Affairs ..	220	50	22·7%
Finance	154	30	19·4%
Fisheries	113	7	6·1%
Justice	90	20	22·2%
Public Works	226	48	21·2%
Mines	370	22	5·9%
National Defence ..	523	45	8·6%
National Film Brd.	101	17	16·8%
National Health ...	333	47	14·1%
National Research	329	17	5·1%
National Revenue	1220	221	18·1%
North. Affairs & National Res. ...	121	10	8·2%
Post Office	219	43	19·6%
Printing Bureau ..	15	5	33 ⅓%
Public Works	211	40	18·4%
Mounted Police ..	138	18	13·2%
Secretary of State	97	50	51·5%
Trade and Comm.	297	17	5·7%
Transport	613	46	7·5%
Veterans Affairs ..	563	58	10·3%
Total	7466	979	13·1%

It should be noted that the high percentage in the Department of the Secretary of State is due to the large number of translators.

So, Mr. Speaker, that is what being bilingual has meant to French Canadians. There is the share which our people get: 13·1 per cent. Do we not have ground for concern when we consider that French Canadians represent 30 per cent of the whole population in this country, that they are the only group fairly bilingual, and that they are given only 13 per cent of the higher positions within the very administration which is responsible for watching over both cultures in this country and for fostering our constitutional bilingualism?

Moreover, did you know that, again according to the 1951 federal census, English-speaking Canadians of British origin represent but 47·9 per cent of the Canadian population? Although they represent only 47·9 per cent of the whole population in a country which is constitutionally bilingual, our English-speaking fellow citizens hold more than 83 per cent of the higher positions in the federal civil service, while French Canadians, who represent 30 per cent of the Canadian population, account for only 13 per cent of those positions. The margin is but 17 per cent as far as the population percentage is concerned, but when it comes to the distribution of the higher positions there is a margin of 70 per cent. I say that our English-speaking fellow citizens get over 83 per cent. I say that English-speaking Canadians are getting more than 83 per cent, because I am leaving a margin of 4 per cent for positions that may be filled by Canadians of other origins, although when I compiled my figures, there appeared to be very few of those, not more than 1 or 2 per cent, but I preferred to stick to conservative figures—and I use "conservative" in the right sense of the word.

Is that the standard of justice by which the federal government intends treating the two racial groups who have equal rights in confederation, with people of British origin who account for 47 per cent of the population holding more than 83 per cent of key positions, and people of French origin, who make up 30·8 per cent of our population, getting only 13·1 per cent of those positions?

In all other fields of Canadian life, outside the government, the situation is not any better as far as the rights of the French language are concerned. If bilingualism is to be taken into account only in the case of those who wish to become elevator or telephone operators, and so forth, it is insulting for us to even mention it. I shall say nothing about bilingualism in the army, where our compatriots are systematically anglicized, as they are otherwise condemned to an aimless life and are subjected to unfortunate statements, like that made last year by navy officer E. Adam, at Quebec, who went so far as to state publicly that French-speaking Canadians could not hope to reach the higher ranks in the navy if they did not know the English language.

Has the proportionate importance of the two racial groups been respected in the choice of immigrants brought to our country? No, in spite of what is stipulated in the Canadian constitution. Yet, Mr. Speaker, every time someone is accused of destroying national unity, we become the scapegoat.

[Mr. Girard.]

When we protest against the English designation of the Queen Elizabeth hotel, being built by the Canadian National at Montreal, in the very heart of Quebec, kingdom of 30 per cent of the citizens of this country, we are destroying national unity. When we declare ourselves astonished that the position of chairman of the civil service commission is entrusted to an English-speaking Canadian, while that office should have rightfully gone to Mr. Boudreau, who had proved his worth, we are destroying national unity. When we require French in this bilingual country of ours, we are injuring national unity. When we protest against a matron who demands that English alone be spoken in a hospital which is mostly French-speaking, and located in Quebec besides, it is we who are bigots and are injuring national unity. When we demand a national flag—not one with a fleur de lis, but a distinctively Canadian one, whereas a certain number of our fellow citizens insist upon the union jack—it is we who are injuring national unity. When we request the appointment of an ambassador to the Vatican, on behalf of nearly half the population of this country, which happens to be Catholic, it is we who are injuring national unity. When we request an investigation into bilingualism, it is refused us because it would be harmful to national unity.

But what is this national unity, Mr. Speaker? Would justice and truth be incompatible with it? Or is it merely a smoke screen which serves to quieten our enthusiasm every time we march towards recognition, not of our own particular wishes, but of the very conditions of confederation?

Some of our English-speaking fellow citizens seem to look upon us as a necessary evil to be tolerated only with ill grace. The hon. member for Burnaby-Coquitlam (Mr. Regier) gave expression to this way of thinking last week when he made remarks unworthy of a member of this house on the subject of Quebec. Will he allow a member from this "other nation" to tell him that he will find, in his own constituency, at Maillardville, proof of our broadmindedness! It happens to be money from Quebec which has allowed his French-speaking constituents to build themselves a school.

Mr. Dufresne: Hear, hear.

Mr. Girard: Mr. Speaker, the only bilingualism practised in this country may be summarized in this fashion: be bilingual in Quebec and unilingual everywhere else.

In case there should be any members here who feel that the people of Quebec are too particular about those matters which affect

the legislative powers of their province, let them meditate on the figures related to our efforts towards bilingualism and their reward in the civil service.

If there are members who are concerned because Quebec is up in arms against all the measures of the central government, which they call political interference, let them ponder over the way our equal rights are exercised.

If there are members who think that we are ultra-nationalists, who wonder what could have given rise to the Bloc Populaire, what brought independents into this house, let them ponder over the way our two racial groups enjoy equal rights. If there are members who find rather touchy the newspapers *Le Devoir,* in Quebec, *Le Droit,* in Ontario, *La Liberté* and *Le Patriote,* in western Canada, and many other courageous upholders of the rights of the French language and the French race, let them ponder also over the way our two great races enjoy equal rights.

If there are members who wonder why French Canadians are reluctant to rejoin our armed forces, although they fought gallantly in those forces when the situation called for it, let them ponder over the way the French language, which is an official language in this country, is treated in the army.

Too many politicians consider the *fait français* as an unfortunate precedent which they have to put up with, mainly because it means a large number of votes; they begrudge us the exercise of our rights and they think they have gained a victory whenever they have succeeded in depriving us of any of our prerogatives.

They pour oil in all the nooks and corners of our national characteristics and then take us to task for setting fire to it. We ask favours of no one, and we have had enough of that humiliating sufferance, contrary to the spirit of confederation. It is unfortunate that the Canadian government makes it necessary for us to fight in this house to get bilingual cheques, as was done many times by my hon. colleague the member for Beauce (Mr. Poulin), and it is a pity to find that we hold only a small number of the higher positions to which we are entitled.

Bilingualism and national unity have become academic terms, broadcast far and wide in fine speeches, but which are denied when it comes to issuing a mere cheque.

How can the country have respect for the bilingual character of our culture, which constitutes the only great asset of our national heritage, if the government is party to this cold war gradually undermining the constitutional rights of the French language? Who are the real separatists, Mr. Speaker? Those who are making confederation unbearable to us or those who demand that it be respected? Who hurts national unity? Those who betray the bicultural character of our country, or those who demand that it be preserved after meeting the others more than halfway through bilingualism?

There are, happily, a few of our fellow Canadians of another tongue who have understood the French situation and who have not forgotten it. There are others who have helped us, who have made commendable efforts in that field. Let me congratulate them and urge them to continue in their efforts. Those of us in the government or elsewhere who use their influence to help the preservation of the French language deserve all our congratulations. They contribute to the recognition, once again, of our rights, but their efforts are isolated and require the expenditure of so much energy. May I be allowed to quote the words of a true Canadian, Mr. Murray G. Ballantyne, of Loyola College, as taken from the newspaper *Le Soleil* of May 7, 1954:

> Canada is the country of the French Canadians and they have the right to feel at home from the Atlantic to the Pacific.

These words were spoken before a service club in Montreal, namely, the Lions Club.

> We should recognize the fact that Canada is, by reason of her historic mission, basically a bilingual and bi-ethnical country.

Mr. Ballantyne added that:

> Great Britain had never claimed the right to deny the French their natural origin, but had given, in the British North America Act, the safeguards necessary to their survival. French Canadians do not trust us.

And again:

> They feel that we do not accept them as equal partners in the building up of Canada. That is why they cling stubbornly to the only safeguard they know, the constitutional rights of the province of Quebec.

Our English-speaking fellow citizens should understand that the proximity of the United States, a country which has such close ethnic relationship with them, would have soon influenced them owing to the force of circumstances, if our French mentality, that other determining factor in the ethnic set-up of Canada, had not come into play and participated so loyally in the creation of a distinct Canadian culture in spite of the proximity of 160 million Americans.

I do not hesitate to declare that none of the citizens who play a part in the life of our nation, that no member of the house can claim to be truly a Canadian if he cannot express himself in the two languages which our constitution has left us as our heritage. That is why, Mr. Speaker, I request from

the government the establishment of a board of inquiry to determine the situation of bilingualism in our country. We can be sure that if the French-speaking group are shown to be remiss in their duty, they will soon conform to the spirit of our constitution since they claim to be the most anxious of all to be faithful both to the letter and to the spirit of the confederative pact.

In conclusion, Mr. Speaker, may I be permitted to quote another sentence from the book written by the Right Hon. Vincent Massey, "On being Canadian", at page 17:

(Text):

Certain profound questions which naturally spring to our minds when we talk about our future, come from the relation between the two great communities which have made Canada, and which must share her future.

(Translation):

Yes, Mr. Speaker! If we are so jealously eager for the respect of the rights we were guaranteed by confederation, it is because we want to share in the future of our great country, which will grow only when the right of existence for each of the two ethnic groups which give a bicultural character to our Canadian culture is truly recognized.

(Text):

Mr. O. C. Trainor (Winnipeg South): Mr. Speaker, the refusal of the hon. member for Vancouver East (Mr. Winch) in this debate a few days ago to follow the customary practice of congratulating the mover (Mr. Leduc) and seconder (Mr. Carrick) of the address in reply to the speech from the throne—

Mr. Winch: I did no such thing. I said I had no congratulations to extend to the government.

Mr. Trainor: I must have misunderstood the hon. member. As I understood it, it was a refusal to congratulate these gentlemen, and I thought it was a trifle harsh. While I agree with his reason, I think it unfair to visit condemnation on the hapless heads of these two estimable gentlemen. Therefore I should like to congratulate them on their creditable effort to make so much out of so little.

Mr. Winch: You are making it worse than I did. I ignored them.

Mr. Knowles: Wouldn't they like to be on an operating table under your knife.

Mr. Trainor: The hon. member for Vancouver East appears to object strongly to the work of the propaganda section of the Liberal party in their coinage of the sobriquet "Uncle Louie" as descriptive of the Prime Minister (Mr. St. Laurent). This is merely mildly amusing, but I would suggest that if the hon. member finds the appellation inaccurate he might suggest "Foxy Grandpa" as an alternative. While I am on the subject, may I suggest to some hon. members opposite that adulation poured on the unresisting head of the right hon. gentleman may eventually prove cloying to his palate.

One appreciates an occasion, Mr. Speaker, when it is possible, conscientiously, to congratulate members of the government on opinions they have expressed. I find myself in that happy position. I should like to congratulate the Minister of Finance (Mr. Harris) on the opinions he expressed in a speech to the Canadian Tax Foundation on the Canadian tax structure. One is encouraged to observe the fact that constant reiteration of a point of view by opposition members may eventually penetrate even the mind of a cabinet minister. I should also like to congratulate the Prime Minister on his belated discovery of the Canadian constitution. It is a discovery which some of his ministers do not appear to have yet made. The house is indebted to the hon. member for Burnaby-Coquitlam (Mr. Regier), the Dean Swift of the C.C.F., for that delightful satiric review of the political situation across Canada. Gulliver at his best never encountered more incredible situations.

In the program of research into the Canadian tax structure on which the Minister of Finance is engaged, I suggest he take a look at the situation in the automobile industry. In the United States the federal manufacturers' tax on automobiles is scheduled to be reduced on April 1, 1955, from 10 per cent to 7 per cent. Contrast that with the 25 per cent Canadian tax and you have an explanation of the major reason why a car costs so much more in Canada than in the United States. The Canadian automobile industry used to enjoy a substantial export market which has now practically disappeared owing to high production costs, of which taxation is an important element, thereby reducing employment to Canadian workmen. Here is one positive way whereby the government may extend that assistance to the unemployed referred to by the Minister of Labour (Mr. Gregg) in reply to my colleague, the hon. member for Broadview (Mr. Hees).

I should like to direct the attention of the Minister of Finance to a facet of the Canadian tax structure which exemplifies the grossest discrimination and utter disregard for the principle of ordinary fairness in respect of a particular group of Canadian citizens. In 1953 the automotive distributors of Canada paid to the manufacturers the sum of $162,765,000 on the 483,821 motor vehicles

produced in Canada, which in turn was paid into the federal treasury. This means that to get their cars dealers had to put up an extra $162,765,000 over and above the actual cost of the cars, on which amount no profit was taken. This cost had to be met, usually by financing, which meant that the dealers paid out, over and above the amount of the taxes, a very large amount in financing charges to obtain the money to pay these taxes. Surely no fair-minded person would maintain that there is any element of justice in this situation.

If the government is determined to maintain these iniquitous sales taxes, and the adjectival description is not mine but that of a former Liberal prime minister, then why not apply them at the consumer level where the ultimate payment is made rather than at the producer level? I grant you that this would mean informing the consuming public of the real impact of these iniquitous taxes on the price structure. It may be that the minister lacks the necessary courage, as did his predecessor. We Canadians, Mr. Speaker, are a law-abiding people, but we demand that our laws reflect the principle of strict, impartial justice. In the case to which I have referred I charge that this principle is being violated, and on behalf of these citizens I demand a recognition of the principle of equality before the law, implicit in our constitution although not guaranteed by a formal bill of rights.

I should like, Mr. Speaker, to comment on an economic trend which may appear to be fortuitous to many, but in reality is in large part the result of deliberate government financial policy. I refer to the steadily declining purchasing power of the Canadian dollar on the domestic market. It will be understood that I am approaching this question from the point of view of the man in the street, humbly seeking information. I make no pretence of expert qualification in economic theory, like my friend the hon. member for Lethbridge (Mr. Blackmore) and others in his party who seek to persuade us on the merits of a rather revolutionary economic theory on evidence no stronger than their own unsupported opinion.

I have obtained from the dominion bureau of statistics some information about the purchasing power of the Canadian dollar as measured by the consumer price index over the last 25 years, taking the year 1930 as representing 100, which I should like to place before the house. In the year 1931 it was worth $1.11; in 1932, $1.22; in 1933, $1.28; in 1934, $1.26; in 1935, $1.26; in 1936, $1.23.

An hon. Member: Is that a good thing for the country?

Mr. Trainor: I do not know; just wait until you hear the rest of it. In 1937, it was worth $1.19; in 1938, $1.18; in 1939, $1.19; in 1940, $1.15; in 1941, $1.08; in 1942, $1.03; in 1943, $1.02; in 1944, $1.01; in 1945, $1.00.

An hon. Member: Sold.

Mr. Trainor: Do not buy it so quickly. You will get it cheaper in a short time. In 1946, it was worth 97 cents; in 1947, 89 cents; in 1948, 78 cents; in 1949, 75 cents; in 1950, 73 cents; in 1951, 66 cents; in 1952, 65 cents; in 1953, 65 cents; in 1954, 65 cents.

It seems obvious, Mr. Speaker, to one without any qualifications as an expert in this field that a 1954 dollar which will purchase only 65 cents of the necessities of life is just as valuable to the individual as the dollar when it was worth 100 cents or more provided he has enough of the depreciated dollars to compensate for their deficiency in purchasing power. In other words, those in the fortunate position of being able to vary their income to keep pace with the fluctuations in the purchasing power of the dollar are in a preferred position. But what of the individual with a fixed income, expressed in dollars, which he is unable to vary either upward or downward?

In this category, we must include all those who must live on a pension, be it provided through the investment of their own savings or as some return for past services to public or private enterprises. We must include all those who are trying to pass their declining years on the proceeds of government bonds which, when purchased, were represented to them as being exchangeable at all times for 100 per cent of the face value in consumer goods. If that does not hold true, then what of the expression "as good as a government bond"? This implied guarantee was the reason they were purchased in preference to more speculative issues with prospects of greater returns. I am certain that if victory bonds had been offered in 1939 for dollars that were then exchangeable for $1.19 of consumer goods, on the understanding that they would be redeemed in 1954 in dollars exchangeable for only 65 cents in terms of consumer goods, there would have been few if any purchasers, except on the basis of pure patriotism. How many government annuities would have been sold by the Department of Labour in 1939 if the purchaser had been told that the annuity would be paid in 1954 in dollars worth only 50 cents in purchasing power.

What about the case of the farmer who in 1954 must buy his operating supplies on this inflated market, where his dollar would buy only 50 per cent of what it would in 1939,

while his product will not bring a corresponding inflated price when offered for sale on the markets of the world?

Mr. Argue: He needs parity prices.

Mr. Trainor: That is another question.

I am not offering a solution to this problem, Mr. Speaker.

Mr. Knowles: That is obvious.

An hon. Member: Why not?

Mr. Trainor: Because the main responsibility for the depreciation of the currency rests with the government. It is a result of their fiscal policy. Consequently, it is up to the government to devise a method of dispensing equal economic justice to all its suffering citizens who are condemned to live on a fixed income in terms of dollars. In this connection I am led to paraphrase a sentence from a famous speech by the late William Jennings Bryan, a man who always manifested a concern for the victims of injustice. The government is pressing on the bleeding brows of these suffering people a crown of thorns and they are being crucified on a cross of paper.

I would suggest to the Minister of Finance (Mr. Harris) that the plight of these people is becoming desperate and that desperate conditions breed desperate remedies, which might conceivably embrace even a change in the government of this country.

An hon. Member: Hear, hear.

Mr. Trainor: I mean desperate for the government. Members of this house are being inundated by pitiful letters from old age pensioners, war veterans, civil service and C.N.R. pensioners, all stressing the inadequacy of their stipend to sustain life. This inadequacy is traceable in large measure to the depreciation of the currency. What remedial action does the minister propose? I suggest he must announce immediate constructive action to alleviate these conditions or suffer the consequences.

Hon. Alcide Cote (Postmaster General): Last week while speaking on the address, Mr. Speaker, the hon. member for St. Boniface (Mr. Viau) complained particularly about two changes which were made in post office personnel. I have made inquiries into these two cases and I desire now to briefly bring the facts before this house.

The first complaint is against the procedure followed by the Post Office Department in connection with the promotion to the position of a post office inspector in Winnipeg a few years ago.

The procedure was the following:

The position was advertised and the candidates were examined by a rating board consisting of seven senior officials. Mr. R. J. Emerson was the leading candidate.

Two candidates appealed and the civil service commission appeal board which met in Ottawa recommended that a local appeal board be set up in Winnipeg to deal with the matter.

The Winnipeg appeal board recommended that the candidates be re-examined by another rating board, giving as the reason the closeness of the original ratings.

It was not possible to obtain another rating board of entirely different officials, as the first board comprised most of the senior officials who were conversant with the duties of the position and the qualifications of the candidates.

The second rating board was under the chairmanship of the regional director who is the senior postal official for the prairie provinces. He was assisted by the district director of postal services for Manitoba and the postmaster of Winnipeg. This second rating board also rated Mr. Emerson first.

Appeals were then filed by three candidates, and a civil service commission appeal board was again set up in Ottawa. This board decided that there were no grounds for the appeal and confirmed Mr. Emerson's appointment.

At no time were ratings made by any headquarters officials. All ratings were made by local ranking officers who are conversant with the duties of the position and the qualifications of the candidates. The appellants were represented by officers of their own selection on each appeal board.

Discussing the procedure followed in this first case, the member for St. Boniface made some statements which are not borne out by the actual facts.

At page 300 of *Hansard*, it is stated:

> The successful candidate was not one who pleased the unelected depository of power.

Whatever interpretation is given to this statement, the fact remains that the employee finally promoted by the civil service commission is the same individual who was selected by both rating boards comprised, in both instances, of officials of the Winnipeg postal district.

At page 300 of *Hansard*, it is stated:

> A board of appeal was set up, consisting of three members. Two members of the civil service commission refused to accept the application of the protégé of this unelected depository of power in the Post Office Department, and the third member submitted a minority report.

The fact is that there was only one representative of the civil service commission on the appeal board. He did not refuse to accept the rated candidate. The Winnipeg board, which comprised a representative of the commission, a representative of the department and a representative of the employees, suggested that the ratings be reviewed locally in Winnipeg. To this the department agreed.

At page 300 of *Hansard*, it is stated:

> The result was that the protégé was immediately selected to fill the position of inspector for the Post Office Department, over and above the heads of more qualified civil servants.

Again the fact is that the candidate mentioned here as a "protégé" is the same candidate mentioned before as not pleasing the "unelected depository of power".

Not one of the officials in Ottawa mentioned in the remarks of the member for St. Boniface has even a casual or personal acquaintance with the employee who was recommended for promotion and eventually certified by the civil service commission.

The second complaint of the member for St. Boniface refers to a position of area superintendent in Winnipeg made vacant by the resignation of Mr. Vermander.

The procedure was the following:

The department recommended that this position be filled by the transfer of the area superintendent at Brandon to the position of area superintendent in Winnipeg.

This transfer has not yet been completed.

The action is one of transfer rather than promotion. Nevertheless, the right of appeal was granted to any employee who considered he had a better claim to the position.

Discussing the procedure in this second case, the member for St. Boniface also made some statements which are not borne out by the actual facts.

It is stated at page 300 of *Hansard*:

> He (Mr. Vermander) was ill last year, and it was said that because of his illness he was requested to tender his resignation.

The fact is that Mr. Vermander was not requested to tender his resignation. Mr. Vermander applied himself for retirement on the 1st of October, 1954, for reasons of health. He was at that time almost 65 years old.

At page 300 of *Hansard*, it is stated:

> ...that a regulation of the civil service commission had been discovered which stipulated that when there was not 20 per cent French-speaking or English-speaking there was no need of bilingualism in any area in this nation of ours.

In this connection, I would refer the member for St. Boniface to section 19 of the Civil Service Act, which provides that candidates must be qualified by examination in the knowledge and use of the language of the majority of persons with whom they are required to do business.

The reference to 20 per cent which the member for St. Boniface makes relates to a formula adopted by the department—not a civil service regulation—whereby we not only observe the provisions of the Civil Service Act but in cases where there is a minority of English-speaking or French-speaking patrons, the department endeavours to provide good service by the appointment of assistants who can speak the language of the minority, in cases where the postmaster or senior official is only conversant with the language of the majority.

At page 302 of *Hansard*, it is stated:

> But on December 1, 1954 a sign in French and English was posted in every office in Manitoba with the following ultimatum to all civil servants employed by the Post Office Department. It is headed "Appeal Notice" and then comes the following: "The department has approved of the following transfer without advertising a formal competition subject to no appeals being sustained."

Evidently the hon. member misunderstood the sign. This, of course, was not an ultimatum as indicated, but was for the purpose of giving those employees who consider they had superior qualifications for the position a chance to appeal, and some have taken advantage of this opportunity.

At page 302 of *Hansard*, it is stated:

> This is contrary to the Civil Service Act which states that if there is a vacancy the deputy head of the department must advise the civil service commission which will take the necessary measures to formally advertise a competition.

The fact is that the Civil Service Act provides for transfers, where such are in the interest of the public service.

At page 302 of *Hansard*, it is stated:

> A short time ago I mentioned a certain protégé of the deputy assistant to the Postmaster General, and he in fact was the man who was railroaded into the position over the heads of fully qualified members of the civil service in the province of Manitoba.

No official in Ottawa made, either directly or indirectly, any recommendation or suggestion to the board which made the selection.

As a matter of fact this transfer has not been completed yet. Appeals have been received against the transfer of the area superintendent at Brandon to the position in Winnipeg and these appeals will no doubt be heard, in due course, by a committee presided over by an official of the civil service commission.

As for the other statements made by the member for St. Boniface, who is entitled to his own opinion and interpretation, the result of my inquiry is that in dealing with these two cases nobody was given assurance of any

procedure other than the one followed; that nobody has been ridiculed by the postal officials; and that no Canadians of any ethnic group have been called mediocre.

Everybody may peruse the Woods-Gordon report which did not find any postal official inefficient. On the contrary, the report states the company was impressed by the over-all efficiency of the department and the basic soundness of its organization and administration.

Finally, whether a letter registered and prepaid for special delivery, posted in Winnipeg late on the evening of one day and delivered in Ottawa the next day, is or is not good postal service, and whether the zoning system could apply elsewhere but not in Winnipeg, are questions of opinion and interpretation.

Mr. Speaker, I have replied to the complaints of the member for St. Boniface by giving the facts in order of sequence, in so far as possible, and only with the purpose of informing the house adequately.

Mr. Viau: Will Mr. R. J. Emerson remain in the position of district area superintendent in Manitoba?

Mr. Cote: I ask my hon. friend to read the statement I have made. The matter of the position of area superintendent is not settled, as an appeal is now under consideration by the civil service commission. I would not like to prejudge and I am not able to prejudge what action will be taken by the commission.

Mr. Charles Yuill (Jasper-Edson): Mr. Speaker, in rising to take part in this debate it is not my intention to needlessly take up a lot of valuable time. I feel however that in the interests of the people of the Jasper-Edson constituency whom I have the honour to represent I am obligated to comment on some of the legislation forecast in the speech from the throne and also the lack of legislation to deal adequately with some of our most serious problems in my part of the country.

I should like to compliment those who have taken part in this debate thus far. The seriousness and high standard of the debate thus far is indicative of a sincere desire on the part of all members of this house to seriously and honestly appraise the proposed legislation and do something about it. I need only mention the dispatch with which the emergency legislation relating to the unemployment situation was carried out. There are many who felt that this was not the answer to this problem, but they know of the serious plight of those who depend upon the take-home pay of a husband, a father or brother. They know also of the worry and fear and privation that always rears its head in homes where the breadwinner, through no fault of his own, is unable to provide the necessaries of life. Many of us feel that with a proper economic policy this would have been unnecessary, but nevertheless, when an emergency arose, with a minimum of political drum-beating we applied the milk of human kindness and did the only thing possible under the circumstances.

We in the opposition groups are supposed to be ever critical of government policy; we are expected to condemn the government for both their sins of commission and omission. I should like to say that I for one would like to be a little more realistic in my approach to these things. I believe in giving credit where it is due. I can see for instance some very humanitarian legislation in the Disabled Persons Act that is to take effect as of January 1 this year, and in the amendment to the Blind Persons Act, and the proposed amendments to the War Veterans Allowance Act, and others which I hope to deal with at some future date.

I was somewhat disappointed, however, in the very restricted application of the Disabled Persons Act. I sincerely hope it will not interfere with the welfare of those already enjoying more generous consideration by our Alberta provincial government. To the possible recipients of these benefits in other provinces I am sure it will be welcome news to know that nearly all of the provincial governments are setting up the necessary enabling legislation to make this assistance available at the earliest possible moment.

I am sure we are all very happy with the proposed amendment to the Blind Persons Act which allows a reduction in age to 18 years and a higher permissible income for all recipients. This is very commendable.

It is very gratifying indeed to know that at last the war veterans are going to receive more generous consideration. I would strongly urge the government to adhere to the requests of the veterans for an increase in pension to $60 per month for single men and $120 per month for married men, and to allow a permissible income of not less than $1,200 a year for single men and $2,000 a year for married men. It is not indicative of the generosity of the Canadian people to pay tribute on November 11 in such glowing terms to our glorious dead and then go home and forget about the welfare of the veterans still alive and trying to exist on a pension whose purchasing power has shrunk to 50 per cent or less of its original value. I appeal to the government to give the veterans a better deal.

I would urge the government to give serious thought at the same time to the plight of our senior citizens, and do everything possible to improve their standard of living. I have in my possession a list of comparative prices of commodities in 1927, when the old age security pension was set up, and 1955, compiled for the senior citizens association of British Columbia. This list contains 30 different items and includes such items as tea, coffee, sugar, flour, vegetables, meat and the rest of the commodities that make up the basic standard of living in the average home. In checking over the list I find that the cost of these commodities has increased by 238 per cent in the period between 1927 and 1955. Surely this alone would urge the government to give their kindest consideration to the plight of our senior citizens.

My constituency of Jasper-Edson is basically an agricultural area. This year the farmers in this area have had one of the poorest crops in their history. To start with, the rivers, I think without exception, all overflowed their banks, in some cases cutting new channels through farms and depositing on summer-fallowed fields huge deposits of gravel. When the water receded it gave the fields the appearance of a gravel pit.

This was bad enough in itself, but many of the farmers had their livestock drowned. I know of one man who lost eleven of his best cows by drowning.

Again, as if to add insult to injury, it rained almost every day all summer, either preventing the sowing of any crops or that which was seeded to mature before a very early frost came along and froze everything. As if that were not enough, we had an unusual amount of hail.

The ironical part of it all is that in many instances these same farmers have been contributing to the Prairie Farm Assistance Act since 1939 and now when misfortune overtook them they found they were out of bounds or did not qualify for one reason or another. It is not very comforting to those who have lost everything to be told that because of this technicality or that they do not qualify, and then look a little farther south or east and see their neighbour enjoying at least the minimum P.F.A.A. benefits. They feel that they have been paying money into P.F.A.A. since 1939 under false pretences. It may be that they do not understand the mechanics of P.F.A.A., whatever they might be. I say that these people deserve a better deal and I urge the government to do everything possible at the earliest possible moment to help these fine people.

We have heard of the merits of NATO and the desirability of international co-operation in world affairs, and we recognize this as desirable; but I would remind the members of this house that charity begins at home, and until we have learned how to manage our own affairs and look after our own people we are not setting a very good example to those we desire to help.

Mr. Georges Villeneuve (Roberval): Mr. Speaker, I will have to ask the indulgence of the hon. member for Vancouver East (Mr. Winch) because I am going to speak in French.

(Translation):

Mr. Speaker, I want to add my voice to the hon. members who have spoken before me to congratulate the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply for their brilliant speeches.

I wish also to welcome my new colleagues and especially the hon. member for St. Antoine-Westmount (Mr. Marler), the new Minister of Transport, to whom I think I should extend a special welcome as I anticipate that the constituency I represent will certainly owe a lot to him before long.

I hope that the tax issue will soon come to a final settlement. I am one of those who consider the Canadian constitution, called the British North America Act, as something more than a sort of ark of the covenant of the Old Testament which would have been half patched, although Canada is entirely different from what it was in 1867.

I was rather taken aback by the statement made in this house about a week ago by the hon. member for Burnaby-Coquitlam (Mr. Regier). I venture to think that my hon. colleague was sincere and that he did not want to hurt the justifiable pride of the French Canadians of the province of Quebec. Since I believe him to be sincere, I suggest that he return to the province of Quebec during the next recess and that he spend a little more time there during his visits. He might even try to learn a little French in order to better understand our people. I am sure that after a few visits he will come back delighted with the spirit shown by the Quebec people and that from there on he will become the upholder of such a noble and attractive cause as that of national unity, which should be well understood by the different racial groups in our country. I invite the hon. member particularly to come to the constituency of Roberval, one of the preeminently French constituencies in Canada. I will be happy to have him meet our people and he will come back delighted, I think, with his stay in our province.

For my part, I hope that the members from British Columbia will invite us again to take that trip over the Rockies in order that we may better understand the mentality of the people in that part of the country, for when we know and understand each other better national unity will be practically a fact in Canada.

Mr. Speaker, I find that in my constituency unemployment does not cause as much concern now as it did last year. However we have seasonal unemployment and it is a problem which requires our attention as well as all our ingenuity if we want to solve it.

The government brought in amendments to the Unemployment Insurance Act which will bring some relief to those people out of work, especially this winter. May I however be allowed to draw attention to some connection between unemployment and public works. The unemployment insurance benefits paid to those who are entitled to them must not constitute an encouragement to idleness. It is said that the devil finds work for idle hands to do and that is why I think that we should implement some public works project which would bear some relation to the payment of benefits. We might see to it that these people are paid the benefits to which they are entitled and ask the Department of Public Works to make up the rest of their salary. Our people like to work. In all our constituencies there are lots of things to be done and it is a pity that those people who would like to work should be unemployed.

Another point worth mentioning, I think, is that of assistance to small industries. We could certainly improve their position by amending the Industrial Development Bank Act. This legislation is somewhat too rigid for my liking. It should not only help in the expansion of industries operating at present, but it should more particularly assist in the establishment of small new industries with a view to diversifying the Canadian economy. In fact, if, in every community of any size at all, there were one or two small plants I feel sure that that would improve the labour and agricultural situation with consequent benefits to our working classes as a whole.

The 1954 housing act has had excellent results so far. I must point out though that these advantages have not been visible in my own constituency since the banks have not seen fit to give it all the desired attention. I would, however, like to say a word about one class of people who are in an unfortunate position as far as housing is concerned. I am thinking of our large families. I think it may safely be said that no group of people in this country is as badly housed as our large families. Yet, as has often been pointed out, are they not the best human asset a country can have? In what way, then, could we bring special attention to their plight in the matter of housing? I know, of course, that it is much easier to advocate ideas than to solve problems. But I think that it would be a good thing, especially in semi-urban constituencies to come back to the general idea of the joint loan, with one-half being advanced by Central Mortgage and Housing Corporation and the other by a recognized lending institution.

Central Mortgage and Housing would lend at an interest rate equal to that of government bonds, whereas the approved lending institution could lend at prevailing rates. Thus, in due course, the interest rate would probably fall to 4½ or 4¾ per cent. Then, by continuing the mortgage insurance and promoting low cost housing, we could probably house a high proportion of the large families of this country who are particularly in need of shelter. This could be done only if benefits of the act were made available to all, everywhere in Canada.

Mr. Speaker, ten years ago, a Liberal government—and I think it can be said Liberal governments were always those to alleviate suffering in this country through social security measures—instituted family allowances. Since then, this same government, having remained in power, have improved matters by enacting other measures equally appreciated by the people of this country.

I can say that in my particular constituency families are generally large and greatly appreciate family allowances. In view of the high cost of living, they are under the obligation of asking that these allowances be increased, without further affecting the pocket book of the Canadian taxpayer. As large families are an asset to the country, I ask the government to be more generous to the heads of these families in granting them increased allowances and to give them very special consideration.

I wish the hon. Minister of Finance (Mr. Harris) were in his seat at this time. However, I know that he will take notice of the particular request I want to make on behalf of my constituents.

In fact, for some years, numerous Canadians have been asking, in the name of national unity and to further adorn the crown of national unity through understanding and justice, that cheques issued throughout the country be bilingual. We acknowledge that much has been done up till now, because all cheques issued in the province of Quebec are bilingual. That is, so to speak, only a beginning. I should now like to see the government continue its work and the Minister

of Finance give favourable consideration to this request, which I believe to be quite fair and reasonable, namely, bilingual cheques throughout the country.

To my knowledge, bilingual stamps and currency have caused no social or racial disturbances likely to injure national unity. I should rather say that these measures have contributed to the consolidation of national unity. I am convinced that the hon. Minister of Finance will give serious consideration to our request and make a favourable decision. Besides, I have read a letter he wrote to an organization fighting for this cause and it is my belief that we shall soon hear good news about bilingual cheques.

I have a further request to make, regarding the simultaneous translation of the debates of this house. I think it would be an improvement. I can hardly lay claim to perfect bilingualism. On the contrary, I have much to do before I reach that point. However, I am trying real hard to get there and I am glad to realize that many English-speaking members are doing the same. They deserve congratulations and encouragement, for the sake of national unity.

The more bilingual Canadians there are in this country, the easier it will be for the two racial groups to understand each other better and to be in greater sympathy. They will be glad to live together in the same country, enjoying the same freedom and mutual understanding.

I understand that in such countries as Belgium and Switzerland, where they have two or three official languages, there is simultaneous translation of debates, as at United Nations headquarters. To my mind, this system would help give justice to all.

Yesterday, I heard the hon. member for Iles-de-la-Madeleine (Mr. Cannon) refer to a statement reported to have been made in Vancouver by the hon. member for Vancouver East (Mr. Winch). I am of the opinion that if a system of simultaneous interpretation were established in this house, the hon. member for Vancouver East would not have complained of the fact that we speak French here and that he has to wait 24 hours to get the translation of a speech made in French. With simultaneous translation, we could all convey our ideas to one another, our speeches would be understood immediately. Moreover, we could all give our full measure here since, if I am not mistaken, out of 265 members of the house only about 15 are perfectly bilingual. Simultaneous interpretations would certainly increase, not reduce, our incentive to learn both languages. Such a system would help us also to grasp the meaning of everything which takes place here, since it is especially hard in this corner to catch certain statements and certain speeches, a condition which bars us from maximum efficiency.

We must also consider the visitors who understand only one language. They would be able to listen to the translation of the speech being made. They would get more satisfaction and be more interested in the proceedings, as would too the members themselves.

May I be permitted now, Mr. Speaker, to come to the main topic of my speech, agriculture.

In the constituency of Roberval, which it is my privilege to represent in this house, 60 to 65 per cent of the population devote their time to agriculture. This agricultural activity, I believe, constitutes the very backbone of the riding from the economic point of view.

Numerous individuals and organizations from my constituency have asked me to request that the right hon. Minister of Agriculture (Mr. Gardiner) and the government maintain at 58 cents a pound for two more years the support price for butter.

That request is exceedingly important for all the farmers in my constituency as well as for all the farmers of Quebec. In this regard I would like to quote from a speech made by the dairy industry commissioner for the province of Quebec:

> Too little thought, perhaps, is given to the importance of the dairy industry of the province of Quebec with its capitalization reaching one and a quarter billion dollars, including $225 million for herds, aggregating about a million head of cattle, which produced, last year, five and a half billion pounds of milk, the gross worth of which on the farm was $168,569,000, or $11 million more than in 1952 and $18 million more than three years ago.
>
> In 1952, 33 per cent of the total agricultural income of the province of Quebec came from the dairy industry. In 1953, that proportion had reached nearly 40 per cent. It should be noted that Quebec is the province most dependent on its dairy industry for its general agricultural prosperity. Indeed, except for Nova Scotia and British Columbia, the percentage of farm income derived from the production of milk in all other provinces including Ontario, is under 20 per cent.
>
> One cannot stress too strongly the fact that half a million people derive their living directly from the dairy industry; to that number must be added those who depend on it indirectly, such as people employed in the processing, transportation and distribution of dairy products, the manufacture of machinery and accessories and those who provide essential services to the dairy industry. It all adds up to the fact that one-third of the people of Quebec depend on the prosperity of the dairy industry. It is therefore the source of an enormous purchasing power for one and a quarter million consumers of the province and it has a major influence on our economy as a whole.
>
> The market value of dairy products, once they have been processed and have reached the market,

jumped from $193 million in 1951 to $207 million in 1952 and $222 million last year, an increase of more than $25 million in three years. It should be pointed out that as far as the gross value of production is concerned, the dairy industry ranks second in the province of Quebec, after the pulp and paper industry. It contributes nearly 40 per cent of the total dairy production of Canada. It produces:

34% of the butter manufactured in Canada,
21% of the cheddar cheese made in Canada,
27% of the other kinds of cheese,
33% of the concentrated products made in Canada,
20% of the ice cream made in Canada,
32% of the whole milk sold in Canada.

I have here other statistics which are no less staggering on the importance of the problem for Quebec farmers. In 1953, 302,606,000 pounds of creamery butter were produced in Canada, of which 112,179,000 pounds came from Quebec.

Now, as for the effect of the support price of butter on the Quebec farmer's income, I must say that the farmer received 75 per cent of the retail price of butter. The farmer very seldom gets such a large share of the retail price of a consumer product. That is why the support price on butter has been more or less a lifesaver for the farmers. And it is to enable our farmers to maintain a decent standard of living and improve their position, especially as far as Quebec farmers are concerned, that I am asking the right hon. Minister of Agriculture and the government to maintain the support price on butter at 58 cents a pound for two more years.

Besides, from the Canadian standpoint, it is said that one out of six Canadians, or 17 per cent of our people, depends directly or indirectly on the dairy industry for his living. I believe that figure clearly shows the importance of the dairy industry for us.

Mr. Speaker, as I have only one more subject to discuss, may I ask this house, if it is possible, to allow me an extra five minutes after the ten o'clock bell.

(Text):

Mr. Deputy Speaker: Is it agreeable to hon. members that the hon. member who has the floor be allowed to proceed?

Some hon. Members: How long?

Mr. Deputy Speaker: May I inform hon. members that the hon. member for Roberval has requested not more than five minutes.

Some hon. Members: Agreed.

(Translation):

Mr. Villeneuve: Mr. Speaker, we are told, today, that more and more farmers are leaving the land to settle in cities. If we have to deplore an ever-increasing unemployment, seasonal unemployment, in particular, it is because our farmers are going to the cities where they add to the number of labourers who, unfortunately, have to rely on temporary jobs for their living.

It is our duty to help keep the farmers on the land, and in so doing, we help maintain the stability of the Canadian economy, because agriculture has always been and will always be the soundest basis of society, and that is needed in this country probably more than elsewhere.

In concluding, Mr. Speaker, I would like to say a word or two on the subject of the building of the Chibougamau-St. Felicien railway. Last summer, I made numerous representations together with my colleague, the hon. member for Lake St. John (Mr. Gauthier), in order to bring the matter to a head. Guarantees were put up by the lumber companies, and we have not yet given up hope that the Canadian National will accept these guarantees. I plan to deal with that subject again, when this house discusses the motion introduced by the hon. member for Lake St. John. However, I think I always did my best to bring about the implementation of that project which, in my opinion, is of capital importance for the future of the economy, not only of my constituency, but also of my whole district. It has always seemed strange to me to note that those who never work for the cause are always the first to take the credit. They give us the impression they are trying to keep alive the tradition of the fly on the wheel.

Incidentally, I would like to ask the hon. member for Three Rivers (Mr. Balcer), whose absence is so often noticed in this house, to kindly read again what was said last year in this house and at the railway committee, in order to find out what the hon. member for Lake St. John and myself have done, within our party and outside, to have that project carried out one way or another.

I would like to tell him again, in conclusion, that I am confident the Chibougamau-St. Felicien railway will soon be built; I will continue to rely on the spirit of understanding of the Prime Minister (Mr. St. Laurent), of the Minister of Transport (Mr. Marler), of all the members of the cabinet, and of the Canadian National authorities for the construction in the near future of the St. Felicien-Chibougamau section of the Chibougamau railway. No doubt it will be built in my constituency, and I undertake to promote this project to which we could never give too much importance.

Mr. Speaker, I shouldn't like to overtax your patience, and I thank you for the forbearance you have shown me.

(Text):

On motion of Mr. Harkness the debate was adjourned.

HOUSE OF COMMONS

DEPARTURE OF PRIME MINISTER FOR COMMONWEALTH CONFERENCE

Hon. W. Earl Rowe (Acting Leader of the Opposition): I am just reminded, Mr. Speaker, that the Prime Minister (Mr. St. Laurent) is leaving tomorrow to attend the British commonwealth conference, and will not be back in the house. I should like to say to him through you, Mr. Speaker, on behalf of the members of this party, that we wish him a safe trip overseas.

Good Wishes to Prime Minister

Mr. Stanley Knowles (Winnipeg North Centre): On this occasion the Acting Leader of the Opposition (Mr. Rowe), Mr. Speaker, might well have spoken for all members on this side of the house. We, too, wish the Prime Minister well, and a safe journey both ways.

Right Hon. L. S. St. Laurent (Prime Minister): I am very happy in the privilege of having these good wishes from all my fellow members in this house.

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

50433—40

HOUSE OF COMMONS

Friday, January 28, 1955

The house met at 2.30 p.m.

MAIN ESTIMATES, 1955-56

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1956, was presented by Hon. W. E. Harris (Minister of Finance) and read by Mr. Speaker to the house.

LABOUR CONDITIONS

REPORTED QUESTION OF VALIDITY OF FEDERAL LABOUR CODE

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, yesterday the hon. member for Hamilton West (Mrs. Fairclough) asked a question to which I will now reply. I assume the question refers to the reference made by the governor general in council to the Supreme Court of Canada under the provisions of the Supreme Court Act of certain questions of law relating to the application and validity of the Industrial Relations and Disputes Investigation Act. This reference has been set down by the supreme court for hearing during the current week and I understand the hearing is being proceeded with at this time.

Hon. members are probably aware that disputes arising in connection with the employment of longshoremen and stevedores in the loading and unloading of ships have been handled by my department under the Industrial Relations and Disputes Investigation Act since its inception, and prior to that for many years under the earlier Industrial Disputes Investigation Act.

However, in 1954, upon an application made by district No. 50 of the united mine workers to the Ontario labour relations board under the provision of the Ontario labour relations act, that board accepted jurisdiction and certified the applicant union as bargaining agent for employees of the Eastern Canada Stevedoring Company employed in the loading and unloading of ships at the docks in Toronto harbour.

The validity of this order of the Ontario board was challenged by a rival union which had theretofore exercised bargaining rights for these employees, namely the brotherhood of railway and steamship clerks, freight handlers, express and station employees.

The attorney general of Ontario intervened in these proceedings and gave notice to the Attorney General of Canada that in the proceedings the constitutional validity of the federal statute, the Industrial Relations and Disputes Investigation Act, would be brought into question by the province on the ground that the act is ultra vires to the parliament of Canada because it is legislation in relation to property and civil rights in the province.

Since the validity of the federal legislation was thus raised in the proceedings, it was considered advisable by the government to have the application of the federal legislation in respect to the employees settled with the least possible delay by reference to the Supreme Court of Canada, and at the same time to obtain the opinion of the supreme court on the question raised by the attorney general of Ontario, namely the jurisdiction of parliament to enact the Industrial Relations and Disputes Investigation Act. The following questions of law have therefore been submitted to the Supreme Court of Canada for hearing and consideration, namely:

(1) Does the Industrial Relations and Disputes Investigation Act, Revised Statutes of Canada, 1952, chapter 152, apply in respect of the employees in Toronto of the Eastern Canada Stevedoring Company Limited employed in connection with the loading and unloading of ships?

(2) Is the Industrial Relations and Disputes Investigation Act ultra vires to the parliament of Canada, either in whole or in part and, if so, in what particular or particulars and to what extent?

Decision on the matter of amendments to the Industrial Relations and Disputes Investigation Act will be deferred pending receipt of the report of the supreme court on this reference.

With regard to the second part of my hon. friend's question, hon. members will also be aware that the railway unions representing non-operating employees of the railways have indicated that it is their intention to undertake an early study of the provisions of the Industrial Relations and Disputes Investigation Act relating to conciliation and to thereafter make

appropriate representations to the government. Naturally, we would want to have the benefit of such representations and to have the opportunity of studying them when they are forthcoming. Consequently, for this reason also, we are postponing any further amendment to the act for the time being.

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, I should like to ask a question supplementary to the question I asked yesterday by now inquiring of the minister what other progress has been made within the department with regard to the revision which I understand was under way two years ago at the time when certain amendments were referred by this house to the industrial relations committee. At that time the minister said that a study and revision of the act was under way.

Mr. Gregg: Very good progress has been made with those suggested amendments, but in view of the facts I have just submitted I feel we should withhold the recommendation of those amendments until these other matters have been dealt with.

Mrs. Fairclough: I wonder if the minister is in a position to say how long that is going to take?

Mr. Gregg: No, I cannot say.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask the minister a supplementary question. When the non-operating railway unions are ready to make the recommendations to which the minister refers, would he consider having the industrial relations committee convened so that the union representatives might make their representations to the members of that committee as a whole?

Mr. Gregg: Mr. Speaker, I will take that question under consideration when the time comes.

POST OFFICE DEPARTMENT

ALLEGED DISAPPEARANCE OF MONEY AT BRITANNIA BEACH, B.C.

Hon. Alcide Cote (Postmaster General): Mr. Speaker, in reply to the question asked by the hon. member for Notre Dame de Grace (Mr. Hamilton) may I say it is now possible to make public further details in this regard.

The department is well aware of the disappearance of a money packet containing $44,500 from the Britannia Beach, British Columbia, post office on December 17, 1954, which coincided with the disappearance of a clerk of the Britannia Mining and Smelting Company, who acted as assistant in the post office.

The money package was dispatched by the Royal Bank of Canada, Vancouver, to the branch of the same bank at Britannia Beach. We are informed that the bank had fully insured the parcel. The post office has not suffered any financial loss.

The post office is in a company town and the general manager of stores and purchasing agent for the company has been postmaster since his appointment in 1923 by the civil service commission. The company pays some of its employees to act as assistants in the post office.

The suspect who worked in the post office under the name of John Clealand Wallace Black has been identified as being John Keith MacDonald.

The extensive investigation which has been conducted by the Post Office Department and the R.C.M.P. since the day the loss of the package was discovered is still proceeding in co-operation with the United States postal authorities and the F.B.I.

[*Later:*]

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, arising from the statement made a while ago by the Postmaster General in answer to a question of mine, I should like to ask him whether the theft at Britannia Beach, British Columbia, post office may have been committed by a person who was not a post office employee but was handling Her Majesty's mails with the approval of the Post Office Department?

Mr. Cote: Well, Mr. Speaker, I could not give all the details as to how it happened because, after all, I was not on the scene of the crime when it was committed. But again, if—

Mr. Speaker: The minister does not have to answer a hypothetical question.

Mr. Fleming: It is not hypothetical.

Mr. Cote: That is why I am not in a position to answer it. I have to rely on the information given me, and if further information can be obtained with respect to the question asked by my hon. friend I will be glad to report all the details to him, which may be from the file, of course.

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker—

Mr. Speaker: Order.

Mr. Hamilton (Notre Dame de Grace): Is it permissible to remove the hypothesis from the question and present it to the minister again in order to get an answer?

Mr. Speaker: I suppose that the hon. member is not addressing his question to me. If he is, may I say that I settle points of order as they arise and I am not to be questioned from the floor on matters of procedure. But it is a very well known rule that hypothetical questions are not in order because there is no limit to the number of questions which could be asked in that way. I am sure the hon. member has enough resources of his own to frame his question so that it will bring about the results that he would like to get.

Mr. Hamilton (Notre Dame de Grace): I should like to ask the Postmaster General whether the missing person referred to in his report earlier today was a person who was not a post office employee but was handling Her Majesty's mails with the approval of the Postmaster General?

Mr. Cote: I think I have already answered the question at least partly. The hon. member has only to look at the answer I made today in *Hansard*, but if my hon. friend wants to see the file—

Some hon. Members: No, no.

Mr. Speaker: Order.

Mr. Cote: He may on one condition, that he comes to my office without any recording machine.

PIPE LINES

TRANS-CANADA PIPE LINES LIMITED—REPORTED PROFIT TO COMMON SHAREHOLDERS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Minister of Trade and Commerce. Has the attention of the minister been drawn to a report that was published in the Vancouver *Sun* of Wednesday this week to the effect that, whether under private or government-guaranteed financing, the common shareholders of Trans-Canada Pipe Lines Limited stand to make from 20 to 40 per cent profit annually. If so, is the minister in a position to advise the house of government policy on this matter and of any provisions that will be made for the protection of the Canadian public?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the answer is no to all phases of the question.

[*Later:*]

Mr. Winch: I should like to ask a supplementary question of the Minister of Trade and Commerce. Is the minister considering any policies for the protection of the Canadian people as a result of the situation with regard to the pipe line which I have just mentioned? Is the answer to that question also no?

Mr. Howe (Port Arthur): Mr. Speaker, the answer is that the minister spends nights and days considering the welfare of the people of Canada.

Mr. Winch: I should like to have a direct answer to this specific question.

EXTERNAL AFFAIRS

FORMOSA—REQUEST FOR STATEMENT ON PRESENT SITUATION

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Secretary of State for External Affairs on the day of his departure. I should like to ask him two questions in connection with the Formosa situation today. Is he prepared to say anything today with regard to this matter? In particular, is he prepared to say whether the United States has given any indication that, as far as Chiang is concerned, he will not be permitted to conduct operations against the China coast?

Hon. L. B. Pearson (Secretary of State for External Affairs): To answer the first part of the question, may I say that I do not think I can at this time usefully add to what I said in the house the other day. In answer to the second part of the question, I do not know of any undertaking or any understanding that the United States government has reached with regard to action which necessarily prevents Formosa from being used as a base of operations against the Chinese mainland. I said the other day that I thought that would be an important part of what I at that time called the neutralization of Formosa which I indicated in my view should work both ways, namely that Formosa under neutralization should be protected from invasion from the mainland and should be prevented from being used as a base for invasion against the mainland.

BUTTER

AVAILABILITY OF SUPPLIES TO CANADIAN INSTITUTIONS AT REDUCED PRICES

On the orders of the day:

Right Hon. J. G. Gardiner (Minister of Agriculture): Further to my statement in the house yesterday in reply to a question by the Acting Leader of the Opposition (Mr. Rowe), I should like at this time to outline in somewhat greater detail the proposed plan for the sale of butter at a reduced price to hospitals, orphanages, and such institutions.

In the first place, the butter is being offered to all Canadian institutions on the list published by the Department of National Health and Welfare for the purposes of the Excise Act and the Excise Tax Act. This list of approved institutions is available to all hon. members, and runs to more than 1,500 names, I understand.

To all of these, letters are today going forward from the agricultural prices support board, accompanied by a questionnaire and application form for return by institutions wishing to avail themselves of the offer of butter at the reduced price.

As stated in the letter, the actual method of supplying the butter has not as yet been finalized, but the reduction will be about 21 cents per pound below the price which the institution is now paying to its supplier for the same grade of butter.

It is expected that the institutions concerned will secure their butter through their trade channels, the suppliers then being reimbursed by the board for differences in prices involved.

As has already been stated, the general objective in offering butter at the reduced price is to increase the total quantity of butter used in the approved institutions throughout Canada. This could be brought about by approximately the same expenditure for the purchase of butter.

Interested institutions are being asked for their comments on this objective and on the most suitable method of servicing their own requirements, although the board reserves the right to standardize the method to the greatest possible extent.

Institutions are being advised as well, I may add, that the board may find it necessary to limit the time for which this offer can be held open. It is not, of course, intended to be a permanent operation.

Mr. Rowe: Would the minister tell us how much of that butter is being sold in that way, or how much of the surplus?

Mr. Gardiner: All that we can get a market for. The total amount that will be disposed of will not be 20 million pounds which is the total we wish to dispose of.

Mr. Rowe: You have no idea how much?

Mr. Gardiner: No. I really cannot make a guess at it.

Mr. Angus MacInnis (Vancouver-Kingsway): I should like to ask of the minister a supplementary question that has a bearing on the sale of butter. With regard to the consumption of margarine in Canada, has any effort ever been made to find out how much of it is because of preference by the consumer and how much of it is because it is cheaper than butter?

Mr. Gardiner: Efforts, of course, have been made to find out what the consumption of oleomargarine is, and I think that fact is fairly well known; but it is almost impossible to determine what portion of it is for spread and therefore in competition with butter and what portion of it is for cooking purposes and largely in competition with lard. It is extremely difficult to estimate what that division is.

[Later:]

Mr. J. Wilfrid Dufresne (Quebec West): I should like to direct a supplementary question to the Minister of Agriculture regarding the butter situation. If the butter is to be sold to institutions at about 20 cents less than the actual price, according to the statement made by the minister a while ago, what will be the margin between the price paid by the institutions and the price paid by wholesalers?

Mr. Gardiner: The present wholesale price of butter is 61 cents. Take 21 from that and it is 40 cents.

Mr. Dufresne: This statement is not an answer to my question and I knew that 21 from 61 makes 40.

An hon. Member: Go to school, professor.

Mr. Dufresne: The schools I attended were as good as those attended by the minister.

Mr. Speaker: I would ask hon. members to please give me a chance to hear what is the question that is being asked. Order.

Mr. Dufresne: I knew about the difference, but I should like to ask this question. I should like to ask the minister what would be the difference between the price paid by the institutions and the one paid by wholesalers who obtain such butter from the government?

Mr. Gardiner: The statement which I read indicates that the hospitals will get the butter for 21 cents less than they were paying for it under conditions now existing.

Mr. Dufresne: That does not answer my question.

Mr. Gardiner: The price might be different at different places in Canada. The floor price is 58 cents at Toronto and Montreal but it is different at Regina, at the coast and down in the maritime provinces. No one answer would do for that.

Mr. Dufresne: That does not give any answer to my question.

Mr. Speaker: Order. I think the hon. member should be satisfied with the answer given.

Mr. Dufresne: Not quite, Mr. Speaker.

Mr. Speaker: Let us say that perhaps it is difficult to satisfy the hon. member in this instance.

HEALTH INSURANCE

ONTARIO BLUE CROSS—ENROLMENT OF TWO MILLIONTH SUBSCRIBER

On the orders of the day:

Mr. O. C. Trainor (Winnipeg South): I should like to direct a question to the Minister of National Health and Welfare. Has the attention of the minister been drawn to a news item in this morning's *Globe and Mail* to the effect that the Ontario Blue Cross is about to enrol its two millionth subscriber? Is the minister not gratified to learn that as many as two million Canadian citizens are able and willing to protect themselves against the hazards of illness without requiring any government handout?

An hon. Member: What about your amendment?

Mr. Coldwell: What about the amendment?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I was just about to tell my hon. friend what has already been uttered from the bleachers. My hon. friend perhaps has not taken fully into account the very important amendment which stands in the name of the Acting Leader of the Opposition (Mr. Rowe). I will also tell him of course that the Minister of National Health and Welfare is naturally gratified with any action that is taken to improve the health standards and services of the people of this country. That is only consistent with what the Department of National Health and Welfare always does.

Mr. Knowles: What steps is the minister taking this year to bring in national health insurance so as to cover all the citizens of Canada?

Mr. Martin: My hon. friend ought to know the answer to that question.

Mr. Knowles: Then, what is it?

NATIONAL DEFENCE

RECENT OCCURRENCE ON H.M.C.S. "MAGNIFICENT"

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, on Monday last the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) asked me if I could give any further information beyond what had appeared in the press with respect to a number of cases of methyl alcohol poisoning, which had occurred on H.M.C.S. *Magnificent*. I replied that as a board of inquiry was sitting to establish the facts, I felt that I should not make any further statement until it had completed its task.

The board of inquiry has now completed its investigation and is forwarding its findings to naval headquarters. While the report is, of course, a confidential report for the guidance of the naval authorities in taking whatever action may be warranted, I can give the house briefly the facts as to what took place.

Briefly the facts are that three cans of duplicating fluid, used in the ship's communication duplicating machines, were removed from a locked storeroom by a member of the ship's company, who had access to the key in the course of his normal duties. One can was removed during the early afternoon of Friday, January 21, and two further cans in the early evening of the same day. These cans were kept hidden and were passed around to several groups of seamen who surreptitiously drank the liquid mixed with soft drinks or grapefruit juice from cups and soft drink bottles. The cans, incidentally, were clearly and distinctly marked "poison" and bore other words of caution. When emptied they were thrown overboard during the night. There was no large party at any time during the day or night, but as I have mentioned, small groups of two to five men drank the mixture in widely separated places throughout the ship. There was no outward evidence of drunkenness on board during the time in question. There was no indication, therefore, to the officers making rounds that anything was amiss. The first evidence that anything was wrong was the sudden severe illness of a number of men. It is evident, I might add, that a great number of the men did not know what they had been drinking.

Great credit should be given to the ship's duty medical officer and to the staff of the Royal Canadian naval hospital at Halifax, as well as to civilian consultants, for the fact that due to their combined and prompt action the nature of the poisoning was quickly diagnosed and suitable treatment applied. Had this not been so, the consequences to the men involved would have been much more severe and in several cases would probably have proven fatal.

Following study of the report of the board of inquiry at naval headquarters, disciplinary action will be taken where appropriate, as well as such other steps as may appear desirable to prevent a recurrence of this regrettable incident.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, January 27, consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Rowe, and the amendment to the amendment of Mr. Coldwell.

Mr. D. S. Harkness (Calgary North): In view of the general desire to save time and expedite the work of the session, Mr. Speaker, I shall forgo the usual compliments and make my remarks as short as possible. I am glad to see that the Minister of Agriculture (Mr. Gardiner) is so sharp in his arithmetic today. He is much sharper than he was when he was speaking in this debate some two weeks ago. At that time his figures did not work out nearly as neatly as they did in his reply today.

I believe the earlier speech delivered by the minister calls for some comment. He took up nearly two full pages of *Hansard*, and I am told that means approximately 2,000 words, explaining the continuation in office of Dr. Thomson, head of the Prairie Farm Rehabilitation Act, during the time he was running for the position of leader of the Liberal party in Saskatchewan. Most of this so-called explanation was taken up with a long discussion of Dr. Thomson's suitability for this post. This is a question which, to my knowledge, no one has ever raised. In other words, the minister was raising a straw man and knocking him down. Throughout this lengthy explanation there was no mention of the real point at issue, the real reason for raising this matter here. The minister passed it over as though it did not exist.

The main point is very simple, Mr. Speaker. It concerns the propriety of a civil servant running for political office before he has ceased to be a civil servant, and following his defeat for that office continuing in his job as though nothing had happened. This is directly contrary to the whole concept of our civil service. It is contrary to the idea of the civil service being outside of politics, and being a body which serves the state rather than the political party which happens to be in power at any particular time. A few instances of this kind would soon destroy the morale of the civil service. The divorce of this body from politics would be at an end and, in effect, we would see the restoration of the old patronage system. The Minister of Agriculture is perhaps one of the few people in this country who would have a thing of this sort carried on, and then try to make out there was nothing out of the ordinary taking place; that he could not understand why people were raising the question.

The minister, having attempted to confuse this issue by interjecting irrelevant side issues, went on, and by the misuse of statistics tried to persuade the country that agriculture was in a very flourishing condition rather than in the somewhat depressed state the actual statistics reveal, and as I am sure the personal experience and knowledge of most members here would confirm. In regard to the reduction in farm income, which the hon. member for Prince Albert (Mr. Diefenbaker) and others have brought to the attention of the government at this session, the minister said, and I quote from page 199 of *Hansard* for January 14, 1955:

> What is the reduction in income in these three provinces—

Meaning the prairie provinces.

> —because of wheat reduction in 1954 compared with the top year in that three-year period? . . . All told it is $440,900,000. That is the loss that has taken place in Saskatchewan, Alberta and Manitoba because of the fact that they had poor crops last year and low returns because of rust and low quality wheat.

I should like to emphasize that last phrase:

> . . . because of the fact that they had poor crops last year and low returns because of rust and low quality wheat.

In other words, the minister was attempting to blame the weather for the reduction which took place in farm income in 1954. This is almost completely at variance with the facts. The reduction in farm income because of the poor crop of 1954 will show up chiefly in 1955. It did not show up last year to any extent. This is the year in which we are going to suffer from these poor crops last year.

Mr. Gardiner: You have not followed very well the system of marketing in western Canada.

Mr. Harkness: It is quite clear. Up to date the deliveries of the 1954 crop have been quite small. They amount to 300 bushels per farm, plus a two-bushel quota and in some cases a little more barley where farmers had barley. That is all the farmers have been able to deliver so far. Anyone who had any crop worth threshing at all, no matter how poor the crop was, has not been able to deliver it all as yet. All he has been able to deliver is that small quantity. The situation is that the hundreds of millions of dollars lost as a result of bad weather in 1954 is going to be realized in 1955 rather than during the past year. Therefore, it had little effect on last year's cash farm income. The situation is exactly the reverse of that which the

minister outlined in his speech, and upon which he built all his subsequent remarks.

As a matter of fact, Mr. Speaker, the real reasons for the reduction in farm income are, first, the inability of the wheat board to sell a large proportion of the crop of the preceding year, that is of 1953. That is the first and main reason for the reduction. We were not able to sell the major portion of the crop taken off in 1953, and part of the crop taken off in 1952.

Mr. Gardiner: May I ask a question?

Mr. Harkness: Yes.

Mr. Gardiner: Is not the same fact true with regard to 1953 as compared with 1952?

Mr. Harkness: To some extent, yes. The cash income of the farmer in 1953 was smaller than in 1952 because he had not been able to sell as much wheat.

Mr. Gardiner: Then a further question: Is not the difference which has been stated throughout the whole debate, the difference in income as between 1954 and 1953? If you back that up another year, you get much the same thing?

Mr. Harkness: I do not know what the minister is trying to prove now. Certainly he is not trying to prove what he was trying to prove in his speech, that the weather was to blame for the reduction in cash farm income, and if it had not been for that the farmer would have been better off than ever before. Now, he is trying to bring in some irrelevant side issue.

Mr. Gardiner: The weather is responsible for the increase in butter, too. The weather does regulate farm income in this country.

Mr. Harkness: The Minister of Agriculture of course always tries to find something to blame in these situations.

Mr. Gardiner: I am not blaming anything; I am just stating facts.

Mr. Harkness: He is trying to blame the weather for the butter situation, the cheese situation and so on. I shall have something to say about that later. The main point is that the deficiencies or defects shown in the government's agricultural policy have been largely to blame. The minister tries to find some other scapegoat, and apparently the weather is the one he can think of most readily.

As I have said, the real reason for the reduction in farm income in 1954 is our inability to sell a large proportion of the crop in 1953. Another reason was the lower price which was realized for the portion of the crop that was sold, plus higher storage charges because the grain had to be kept in storage for a much longer period. Those are the two chief reasons for the lower farm income in 1954. The weather had very little to do with it.

Having quite incorrectly attempted to blame the weather for the reduced cash returns to the farmer, the minister then went on to say, and I quote again from page 199 of *Hansard* for January 14, 1955:

> The total cash income in all the provinces of Canada in 1954 was $2,408 million and when you add to that the $444 million which the three wheat provinces lost last year because their crop was down and of a poor grade, you get a net return of $2,849 million. That is what the income would have been if they had had a good wheat delivery year and that is $23 million more than the farmers of this country ever had in any one year.

Before I go on to comment on that I must say that I do not know where the minister found this extra $4 million, because just a few sentences before he said it was $440 million and here he says it is $444 million. He suddenly found about $4 million more. Of course it is nothing for the Minister of Agriculture (Mr. Gardiner) to lose or find $4 million; he can lose or find hundreds of millions in his speeches depending on what he wants to say.

Mr. Gardiner: I did not use the figure $444 million, but it would be very easy for the typist to make that mistake.

Mr. Harkness: The minister should have corrected it. I would be inclined to think that *Hansard* is correct because this is so typical of the sort of carelessness the minister exhibits so far as the use of figures is concerned.

This statement of the minister's which I have just read is a blatant attempt on his part to make this house and the country believe that the sales and prices of farm products are better than they ever were before. In other words, he is saying that the government has done its part and if only the weather had co-operated the farm population would never have been so well off. That is just another example of the well known "if" statement. In other words, if your aunt was not a woman she would be your uncle, and other statements along that line.

To put out nonsense of that kind, to say that if we had not had this crop failure, which I have demonstrated already had nothing to do with it, we would have had $440 million more of income and therefore the farmers would have been better off is doing no service to anyone and it certainly is doing no service to this house as it merely confuses the issue. I find it difficult to understand why the Minister of Agriculture persists in making statements of that nature.

The reduction in farm income to which the minister devoted his attention was cash income, that is gross receipts. He did not touch on net income which is a much more important figure as far as the farmer is concerned. Just to take an example in another field. If you are running a store it is far better to have gross receipts of $100,000 and a profit of $10,000 than it is to have gross receipts or sales of $1,000,000 and a profit of only $5,000. It is exactly the same situation as far as the farmer is concerned.

It is not the gross receipts that he is primarily interested in. He is interested in them naturally, in the prices he gets and so forth, but the reason he is interested is that that is going to determine his net income to some extent. The thing he is really interested in, just the same as any other businessman, is his net income, the amount left over after all expenses, to be used to meet the needs of himself and his family for food, clothing and other necessities of life, to buy the luxuries which we all desire and to which it is considered we have some entitlement, to replace broken down or worn out farm machinery, to improve his farm and so on. The income he is interested in is his net income.

In dealing with this matter of farm income the minister said nothing about the farmers' net income. The reason he said nothing about it is that the figures are very grim indeed.

Mr. Gardiner: I gave the reason in my speech why I did not use the net figures. You should read it.

Mr. Harkness: That speech was just the same in that regard as most of the others: it was a sidestepping speech. As a matter of fact the minister did the same thing last year and the year before. He spoke of the cash income of the farmer but he carefully avoided going into the net income of the farmer.

I have the figures with reference to net income of our farmers. In 1951 it was $2,154,527,000; in 1952 it was $1,900,779,000, down $254 million. In 1953 it was $1,656-564,000, down some $500 million from 1951. The figures are not out for this year but the general estimates of the farmers' net income that I have heard this year place it at no more than $1,400 million, and more likely it will be $1,200 million.

You can make a computation which will enable you to arrive at that pretty well from the figures of the past three years. Last year the difference between farm net income and cash income was $1,084,688,000. The spread has been getting worse every year as the difference in 1951 was only $661,934,000. The spread this year is going to be more than $1,000 million, and most likely it will be about $1,200 million, leaving the farmer with a net income of about $1,200 million.

What that means is that the income which the farmer will have left over after expenses in 1954 will be just a little more than half of what he had for the same purposes in 1951. In other words his position is nearly 50 per cent worse in 1954 than it was in 1951.

However, the minister still tries to paint a rosy picture and he tells us that if it had not been for weather conditions our farmers would have had the biggest income this past year that they have ever had. With this situation confronting us it is no wonder that general business conditions last year were not as good as the year before. I would think that it is most doubtful that the rosy predictions of the Minister of Trade and Commerce (Mr. Howe) that things are going to be better than ever this year are likely to be realized with this very considerable reduction in farm net income with the consequent reduction in the amount of money which goes into the general stream of spending to provide employment and so forth.

After his speech in the house two weeks ago the minister went out west in the course of a few days, and demonstrated that he had by no means exhausted his ability to try to make black appear white, or at least a very pale grey. Even he admits that we have an oversupply of butter and cheese, but our surplus position was made worse by the importation of large quantities of New Zealand cheese. The only logical reason which might have been advanced for this importation was that it would help the forgotten man, the consumer, by giving him cheese at a lower price. However, the minister assured the dairy farmers that that would not happen. He said that the processing firm would be glad to make the difrence of five cents a pound between the price they would probably get that cheese at and the ordinary price at which cheese is selling. I can believe that the importing firm would be glad of that much extra profit.

But if this will be the result of this importation, what a ridiculous situation we have, Mr. Speaker. The price of butter is being supported by the taxpayers' money, and surpluses are being built up as a result of that to quite a large extent. Then this New Zealand cheese is imported to increase the surplus, because it can have no other effect

than to increase the surplus of dairy products in this country. The minister goes on to say that the importing firm will make an extra one-eighth to one-quarter million dollars, and that money is essentially to be paid by you and me, Mr. Speaker, and our fellow Canadians as taxpayers. The whole thing just does not make sense. If we are going to support the dairy industry by floor prices and sell the surplus, when we have a surplus as a result of that policy, at reduced prices to hospitals here, or to people in other countries, surely we should not let large amounts of dairy products from abroad come into the country at the same time. As a matter of fact, when we do that we in effect subsidize our competitors and the importing firm, so that we are taxing ourselves in order to subsidize our competitors in other countries and the importing firms which import these products.

As I say, the government just has no policy in regard to the dairy industry which makes sense. What it is doing is following the course of drift and bungle.

Mr. Fulton: Mostly bungle.

Mr. Harkness: The farm income situation I have outlined is one of the main reasons for the large amount of unemployment we have had this winter. There are of course other reasons also. I am not one of those who make speeches, the purport of which is that the government can wave a magic wand and cure unemployment. I do not believe that the socialist wand would be effective in this regard, nor do I believe that the financial wand of the Social Crediters would be effective either. However, the government has done nothing in regard to the matter. They have just sat on their hands. Following the warning of last winter, which surely was stern enough as far as unemployment was concerned, the government has made no changes in its fiscal or financial policies which might have improved the unemployment picture, nor has it done any of the smaller specific things which might have helped, so far as I am aware.

As one small example of this failure, I was surprised to learn a short time ago that the government buys a considerable amount of its stationery requirements from the United States, all things which I believe are made in Canada, or if there are a few items which are not made in Canada they could certainly be purchased in Great Britain and thus help on the one hand to reduce our adverse balance of trade with the United States, and on the other hand to decrease Britain's adverse balance with us. I hold in my hand two forms used by the income tax branch of the Department of National Revenue. They are complicated looking things. One of them is called an assessors' statistical report, and so forth, and the other has to do with instructions and the amount of adjustment. Hon. members can see that they are quite complicated looking forms, but they are a straight printing job; that is all they are. In each case, on the form in very small letters, so small that I can hardly read them, appears: "Printed in U.S.A." Why should the Department of National Revenue be making use of printed material of this sort which they import from the United States rather than having it printed in this country? As a matter of fact, that is not the end of this thing. In addition to these particular forms, I find that the government uses a large number of stationery items which are made in the United States. Some examples are staplers, staple pullers, Scripto pencil erasers, rubber finger pads, Scripto pencil leads, sensing leads, pencil sharpeners, and so on. As a matter of fact, if you go up to your office and look at your equipment which they supply us right in this building, if you look at the desk pen sets you will find stamped on the bottom—at least it is true of mine—"Made in U.S.A." The staplers are made in the U.S.A. too.

It seems to me this is something for which there is no excuse. It is carelessness on the part of the government. It is a lack of effort on their part to find small ways in which they can help to cure unemployment in this country. The total volume of Canadian employment which is lost this way must be quite large. This is only one small example of it. I know there must be a large number of items in which the same sort of thing is going on. If the government would devote some of its attention to plugging some of the small loopholes through which employment is lost in this country it might add up to quite considerable totals. Those are things which are entirely in their own hands.

To turn to another matter, I should like to reiterate the request made last year by the late Mr. Rodney Adamson that the committee on mines, forests and waters be given some work to do. This committee has been set up every year for a very long period, and within the memory of all hon. members here, with perhaps the exception of the hon. member for Quebec South (Mr. Power), it has never done anything. It is just wasted motion setting up the committee and appointing members to it. It never meets in spite of the fact that the conservation and development of our natural resources are perhaps the most important things one can think of for the future of this country. I would suggest that this year the committee be given the

task of investigating some important matter in the line of conservation or development. I would mention just two examples which they might investigate and report upon. One would be forest conservation and reforestation and the other would be the control and development of rivers.

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, last fall I spent several weeks visiting our Canadian forces in Europe. I took occasion at that time to visit NATO headquarters in Paris as well as the supreme headquarters of allied powers in Europe or SHAPE as the military headquarters of NATO is commonly known. Again, in December last I attended the annual NATO council meeting in Paris. As a result of these experiences, which were in each case new experiences for me, I should like to give the house very briefly a few of my impressions of NATO and of Canada's relations to NATO.

I should think that NATO represents the greatest and most far-reaching attempt ever made in peacetime in the world to weld the military and economic forces of 14 sovereign nations into one cohesive, co-ordinated defence force for the defence of all. I think we may sometimes overlook the magnitude of the problems which NATO has undertaken. It is, from the very nature of the problem, a long-term project, and it is beset with very many difficulties: the language difficulty, for instance, the impact of national prejudice and misunderstanding, the differences in military outlook of the component nations, the variability of the strategical and tactical conception of the military forces and the lack of standardization of military equipment.

These are only a few of the practical factors which combine to slow up and to complicate the achievement of NATO's goal. And yet I believe that great results in fact have already been attained by NATO. Slowly but steadily we are evolving a strong, united and well integrated defence force in Europe.

I was tremendously impressed with the manoeuvre "Battle Royal" which I attended last fall in north Germany. There were 140,000 troops, British and Dutch, on the one side, and French, Belgian and Canadian on the other side, each side working together as a team and doing so very smoothly and successfully. It constituted, to me at least, a very vivid commentary on the progress being made in the welding together of NATO forces.

On the planning and organizational side, too, steady progress is in fact being made. Greater mutual understanding is being engendered and formidable obstacles, one after the other, are being steadily overcome.

I believe it is very fortunate for us all that NATO had a few years in which to set and become seasoned before we were faced by the full impact of the power of atomic and thermonuclear weapons. If this had not been so the organization would hardly have been complete enough to make it possible for the supreme allied commander to make the very careful and far-reaching analysis of the thermonuclear threat which, through the military committee, he gave to the NATO council last December when it met in Paris, together with the outline of necessary plans to enable the NATO military forces to meet that threat.

These plans, of course, do not derogate in any way from the responsibilities of the governments of the countries comprising NATO in regard to the decision which is theirs alone as to how and when military action is to be authorized. This forward-looking report was only the first of such reports to be made in sequence as the military studies continue.

My general impression of the defence side of the NATO council meeting was that of steady progress in all fields of military endeavour. There is, of course, much to be accomplished. There are many unsolved problems still remaining, but the fact that these difficult and intricate defence questions are being tackled and solved in a clear, vigorous and orderly fashion is to me very encouraging indeed.

The analysis of the planning which went to make up the report to which I have referred is, of course, secret, and therefore its contents cannot be disclosed. However, as there has been considerable speculation in the press about the matter I would like to assure the house that we do not contemplate any immediate drastic reorganization of our Canadian forces as a result of these studies. Nor do we contemplate any increase in our commitment to NATO forces.

There is no doubt that there will be certain shifts of emphasis and some new developments, but nothing of a revolutionary character. Obviously, the introduction of new weapons and new techniques has greatly increased the pace and the destructive power of future warfare, and priority, therefore, is being given to the raising, training, and equipment of forces described as "forces in being," that is, forces which must be immediately ready to take their place in the battle line.

Increased emphasis, too, is being placed on the air arm, but as hon. members are well aware this increased emphasis on air power is and has been for some years past a feature of our own Canadian defence program.

In this regard the military committee of NATO has been continually stressing for some time past the need for increased air defence

in Europe, particularly in the field of all-weather fighters. We have been pressed for some time past to assist in this regard by reason of the fact that we in Canada are producing, in the CF-100, what is generally regarded as one of the very best all-weather fighters in NATO.

The government, after careful consideration, has decided that as soon as our regular air defence squadrons in Canada are completely equipped with CF-100's, which will be during the present year, we will be able—that is next year—to take steps toward meeting the pressing need of NATO for all-weather fighters.

We do not propose to provide any over-all increase in the number of squadrons in our air force in Europe, which will remain at 12 squadrons as at present, but we are prepared to replace the aircraft in four of our day fighter squadrons in the air division in Europe with CF-100 all-weather fighters. This step will very materially strengthen the all-weather defence capabilities of the NATO forces and thus help to meet one of NATO's most urgent needs.

It will also, by having the same types of aircraft in operational squadrons at home and abroad, make for maximum efficiency and economy, and will enable the R.C.A.F. to gain the broadest possible experience in all-weather operations.

As a component nation of the North Atlantic Treaty Organization Canada has carried out her commitments in detail and on time. That should be a source of justifiable pride to all of us.

I cannot refrain from a brief word of comment on the quality of the forces we have supplied to NATO. Last fall, as I said, I spent three weeks in Europe, during which time I visited every unit of our first infantry brigade and each of the 12 squadrons which make up our air division. They are both a credit to Canada.

There is, I feel sure, no finer, more modernly equipped, better trained fighting air force in Europe today than the Canadian air division, equipped with Canadian-built Sabre jet planes powered by Canadian-built Orenda engines. When the squadrons have all been equipped with Sabre mark VI, they will be still more effective.

The men of the first infantry brigade are well trained, healthy, and of high morale. Their relationship with the German civilian population is exemplary. They won high praise from the umpires of "Battle Royal" for their initiative, for effectiveness and for endurance.

Notwithstanding the increased emphasis being placed on air development, there is, I believe, no question but that the army will continue to play an important part in our defence picture.

The emphasis may have changed, but the importance of the army's function remains. Changes in organization and tactical disposition may well become necessary. Devastating thermonuclear weapons may lead to a greater dispersal of manpower, smaller units, different types of weapons, and streamlined lines of communication. But an effective defensive barrier on the ground will always be needed where there is a threat of ground attack.

The advent of mass destruction weapons does not eliminate the need for conventional forces in all forms of warfare, great and small, and the army will continue to be required to play its historic and important role in any war of the future.

The same reasoning will, I believe, continue to apply to our naval forces. The supply line between North America and Europe must be kept open. That is of vital importance to all of us. The submarine menace which has so often nearly defeated us must in any future war be mastered and kept in check. The days of the battleship may be numbered, but the comparatively small very fast submarine killer will be more necessary than ever.

We in Canada are therefore, in keeping with our undertaking to NATO, building the most modern destroyer escorts we can devise, and we are modernizing our frigates, minesweepers, and other small craft to provide a fast powerful fleet for convoy duty and to meet the new Snorkel submarines being built in such great numbers by our only prospective enemy.

Thus we must maintain and keep modern and effective our conventional forces on both land and sea. The necessity of strong conventional NATO forces is fully exemplified by the importance we all attach to the 12 divisions we expect West Germany to provide for NATO when the protocol which was approved by the house a few days ago has been fully ratified and becomes effective.

The defence of Canada—indeed of North America—has suddenly become almost as important to the other NATO nations as it has always been to ourselves. This fact arises, of course, from the emergence of an improved Russian nuclear weapon delivery capability against North America. Under such circumstances it becomes essential that greater efforts be put forth immediately to strengthen the defences of this continent because North America is the only great base

from which operations for the defence of Europe can be supported, and also because of the necessity of protecting the thermonuclear retaliatory capacity of the United States, something which provides at the present time probably the greatest single deterrent to war.

And so what we have come to term "continental defence", that great joint effort of Canada and the United States to protect and to defend both countries against aggressive attack, is at the same time a very real and vital contribution to NATO's effort as well. Thus every dollar we spend on "continental defence" has a double value. It has value first and primarily, of course, for our own defence and, second, for the preservation of the defence capacity of NATO as a whole.

"Continental defence" is an expensive business. The so-called "Pinetree" radar chain now in operation, supported by the fighter squadrons of air defence command, along with the mid-Canada line which Canada is proceeding to construct and the distant warning line to be constructed in the far north, together form a comprehensive air defence system and will cost many hundreds of millions of dollars. A large portion of the cost of this system is still to be paid. This cost will entail a very considerable drain on Canada's resources during the next few years.

In passing I should like to express to our friends to the south our appreciation of the very fine spirit of co-operation and understanding shown in the development of this great defensive system, on the construction of which we are jointly engaged.

Mr. Diefenbaker: Will the minister allow a question at that point, in connection with continental defence?

Mr. Campney: Certainly.

Mr. Diefenbaker: Has the minister or the Department of National Defence given consideration to giving assistance to the provinces in the building of defence roads into the north in order to make our defence the more flexible?

Mr. Campney: Some consideration has been given to the problem.

Mr. Diefenbaker: What is the decision?

Mr. Campney: As far as my department is concerned, the decision is that the value that would be obtained defence-wise would not justify the cost of the project as compared with other defence projects. We have turned this suggestion down, as far as defence is concerned, on several occasions.

Our relations with our neighbour demonstrate how easy it is for peoples with like ideals and with common incentives to work closely and effectively together in peace and harmony to their mutual benefit. I was deeply appreciative of defence secretary Wilson's statement yesterday in Washington which I think bears out what I have just said.

In concluding these few brief remarks I should like to emphasize the fact that Canada's military effort is motivated solely by considerations of self-protection. We have no aggressive designs against any other nation. We covet no nation's territory. We have never initiated a war against anyone. We are, in fact, not a warlike people, though we can fight if we have to. Our present effort is a defence effort only. It is an effort which we are making in the hope that it will contribute to the joint strength of the NATO nations whose only aim is peace.

I have mentioned how much I was impressed when I was in Germany last fall with the close and friendly relations which existed between our troops and their families and the German people of the area in which they are stationed. I might give one small incident to illustrate what I mean. Pending the completion of our married quarters in Westphalia, many of our soldiers' families lived with Germans in German homes. As an example of the co-operation which existed, I might mention that while I was there I met the burgomaster of Soest and his school officials at a German school in which they had crowded together the German children, voluntarily, so as to empty several rooms for the children of soldiers while our schools were being completed. I visited the children in those schoolrooms and saw them being taught by our Canadian teachers operating in the German schools. This is merely an example or an indication of the friendly and co-operative feeling which was generally evident. Yet less than 10 years ago these people were our bitter enemies, and we were their bitter enemies.

It seems to me that all of us might derive a lesson from that example. If we could only establish with the Russian people as individuals such personal contact and understanding as our soldiers and their families in Germany have established with the German people, perhaps the prospect of war might rapidly fade. Probably history will record as the greatest of all the crimes which the Russian dictatorship has perpetrated against humanity the forced isolation of its people from contact with the rest of the world. Perhaps one day this monstrous imprisonment of a whole people can be overcome. If it is ever possible to overcome that imprisonment, I believe that the fear of war might rapidly abate.

In the meantime, the maintenance of peace is dependent on the continuing build-up of

effective military strength of the free nations. We must become so strong collectively that no one will attack us. That is the goal of NATO. What the 14 nations which comprise NATO—and we hope the admission of Western Germany will soon make it 15—could not hope to do individually, we can, I believe, accomplish by determined collective effort.

It is the function of NATO leaders to develop and fully to integrate that effort so that it may attain the highest possible degree of effectiveness alike in immediate availability of defence and in retaliatory capacity. From my own observation I believe that those directing NATO will measure up to the requirements of that most important task.

Mr. Pearkes: Will the minister permit a question before he resumes his seat?

Mr. Campney: Certainly.

Mr. Pearkes: Are there available enough CF-100's to equip the four squadrons to which the minister referred as being changed to being armed with that type of aircraft in Germany, without withdrawing that type of aircraft from the squadrons already committed to the continental defence of Canada?

Mr. Campney: Yes, Mr. Speaker. As the hon. member will note, I said that we would have all our regular air squadrons for the defence of Canada completely equipped with CF-100's this year and that we would then be in a position to equip the four squadrons of the present air division in Europe with CF-100's next year. I think that sequence is quite easy to fulfil.

Mr. Green: May I ask the minister a question?

Mr. Campney: Yes.

Mr. Green: The minister said nothing about Korea. Is it the intention to withdraw the Canadian forces from Korea?

Mr. Campney: We should of course like to withdraw our remaining forces from Korea as quickly as we can. As the hon. member knows, we have withdrawn two-thirds of our forces from Korea already. The remaining troops are under the direction of the United Nations and associated with other commonwealth forces so that we cannot really withdraw them out of hand, but we are hoping to withdraw them as soon as we can with the approval of the United Nations.

Mr. Dinsdale: Might I ask the minister a question? I was interested in his remarks dealing with the necessity of maintaining defences against conventional weapons. In that regard is any one of the NATO countries assuming responsibility for maintaining the tactical air force defence strength? Canada has no responsibility in that regard and I was wondering whether any one of the NATO forces was doing so.

Mr. Campney: It is my understanding that the tactical defence force of each nation is governed by that nation.

Mr. Dinsdale: The tactical air force.

Mr. Campney: Yes, but I believe that steps are being taken to bring such national forces into closer relation to each other.

Mr. A. J. Brooks (Royal): Mr. Speaker, it is not my intention to ask the minister a question although I realize there are many questions in which we are all interested and we could probably keep him answering them all afternoon. I do wish to congratulate him on having been appointed head of the department and to wish him every success. May I say that I agree entirely with what he has said with reference to NATO because I am sure our hopes and the hopes for peace in this world are bound up to a very great extent with the success of NATO.

Many members have already spoken in the debate on the speech from the throne. Many subjects have been discussed and perhaps there are few left, but it does not seem to be out of the way to repeat things in this debate. While many subjects have been discussed, we still have the problems with us and I am sure we all realize that speaking on these questions does not in any way solve our problems. As usual the throne speech this year mentions many of our problems, both world-wide and national. Unfortunately, we do not find in it very many solutions for the problems we have.

One of the first matters dealt with in the house was the ratification of the Paris agreements. This was mentioned in the throne speech. While I did not speak on the ratification of these agreements, may I say now that I am in entire accord with the solution contained in them that was approved by the house. We also discussed the serious unemployment situation in Canada, and while no solution was put forward during that debate the problem was nevertheless very thoroughly discussed.

We have, as usual, more than our share of unemployment in the maritime provinces. I am not going to discuss that now except to mention and pay tribute to the efforts made by two towns in the province of New Brunswick which were faced over a year ago with very serious unemployment. I refer first to the town of Marysville in the province of New Brunswick where Canadian Cottons closed their cotton mill over a year ago. The people of the town derived almost 100 per cent of their employment from the cotton

factory. After the factory was closed these people did not move away to other parts of Canada or other parts of our own province. They undertook to try to solve their own problems. They were faced with heavy taxes. Marysville has splendid schools, and anyone who has been there knows that it is a splendid up-to-date town.

The people sought employment wherever they could find it, and I might tell the Minister of National Defence (Mr. Campney) that many of the men found employment at the Gagetown camp. However, they have to travel 25 to 30 miles morning and night in order to work at the camp, and they deserve great credit for doing so.

The other day an hon. member said that it was up to the people of the maritimes to try to solve their own problems. The town of Milltown is an instance of where that has been done. When the factory there was closed hundreds of men were thrown out of employment. They decided that they would solve their own problem. Instead of going to other parts of Canada they decided to try to open the factory and run it on a co-operative basis, which they were successful in doing. I am proud to say that as the result of this co-operative effort the workers of Milltown have employment today.

Much has been said in the debate about our loss of markets. This of course is one of the great problems of Canada. Loss of markets means loss of employment. Comment has been made here on the fact that after the war Canada and the United States had practically a clear field so far as the markets of the world were concerned. It was no effort for Canadian manufacturers or producers to sell their products in the markets of the world. It was no effort for the people of the United States to do so. The factories of Germany were destroyed and she had to go about securing new machines. The same was true to a lesser extent in Great Britain and was also true in France, Italy and Japan.

But today we have to face competition from all these countries and there is a grave fear in Canada that we are not facing up to the competition. I am reminded of a story I heard the other day of a South American country that was seeking certain heavy machinery to instal in a plant in that country. The owner of the factory wrote to Great Britain, France, the United States, Canada and Germany. The story is that from Great Britain there came a letter saying that they had the best and finest machinery in the world. France did not make any reply. The United States and Canada sent catalogues. However, in a short time two engineers from Germany arrived with the machinery and asked where they might instal it. That story may or may not be true, but we do know that today the German people are taking over the South American market to a great extent. We also know that what is true of South America is true of many other parts of the world. Canada and the United States are losing markets which they so easily held during the post-war years.

If I may say so, it does seem to me that the time has arrived for Canadian manufacturers, producers, labour leaders and government officials to get together, because unless they do so I am satisfied that many of the markets which we have had will be lost to us for one reason or another.

The speech from the throne also gave a detailed statement of many undertakings. There was mention of the St. Lawrence seaway and hydro development. So far as I can see, this will be of no great benefit to us in the maritime provinces. As I said last year, and as I repeat now, the maritime provinces have no objection to the development of the St. Lawrence seaway. They have no objection to the great benefits which will be derived by the people of Ontario and Quebec as a result of the development of hydro power in the international waters.

The speech from the throne mentioned the Canso causeway. This is a good thing for Nova Scotia. They have waited for it for many years, and no one is more pleased than the people of New Brunswick that it is now an accomplished fact. It will be of very little benefit to the people of New Brunswick. We have heard of the Bar Harbor ferry and that also will be of benefit to Nova Scotia. We rejoice that Nova Scotia has received this recognition which will result in a great increase in the tourist trade of that province. As one of the Nova Scotia members said the other day, it will unquestionably mean more trade between Nova Scotia and the New England states. No benefit will be derived by New Brunswick; as a matter of fact I believe it will take away much of the tourist trade we now enjoy, coming in through St. Stephen and going through to Saint John and the various parts of New Brunswick.

Again the speech from the throne mentions the Sydney-Port aux Basques ferry. This also is a good thing. I could go on through the long catalogue of these many things. Mention was made of Ripple Rock in British Columbia, about which I have heard ad nauseam, I might say, from the hon. member for Vancouver-Quadra (Mr. Green). I congratulate him and the other members from that province on the fact this rock will be removed.

All these undertakings, Mr. Speaker, will not relieve the unemployment situation in this country, nor are they going to provide markets for our people. A short time ago I was interested in reading in the *Labour Research* a long account of the economic trends in the Atlantic provinces. The author posed many questions and supplied many answers. The first question which he asked was, what has been happening to the three old maritime provinces since the end of the war, or the four Atlantic provinces since Newfoundland became a member in 1949? He answers the question by saying that everyone knows they are less prosperous than the rest of the country. He then asks, are they catching up or falling farther behind or just holding their place in the race?

The dominion bureau of statistics gives the answer for the three maritime provinces. In 1946, personal income per head was $177 or 22·3 per cent below the national average. By 1949 it was $287 or 30·2 per cent below the national average; 1953, $406 or 32·3 per cent below the national average. At the end of the war, the gap was already considerable. Last year, it was about 50 per cent worse.

Another question was, are they getting a larger or smaller share of the national income? This question is easily answered. According to the bureau of statistics we are about 27 per cent lower than the Canadian average. Is employment keeping pace with the national indices, or better or worse? Nova Scotia with 45 per cent of the employment in the maritime provinces has never kept pace with the national index since 1946. New Brunswick, with 30 per cent, has lagged behind the national figure every year. Taking the three maritime provinces together, there can be no question that the increase in employment since the end of the war has been very small, far smaller than the country as a whole. Wages have fallen below the national average.

As I said a few minutes ago, when there is unemployment in Canada unfortunately the percentage of unemployment is always greater for the four Atlantic provinces than any other section of the country. According to the dominion bureau of statistics the figures for 37 dates, from October 1949 to November 1954, show that on every date the percentage of unplaced applicants was above the national percentage, usually considerably above. For 1950, it averaged over 60 per cent higher; for 1951, almost 36 per cent; for 1952, almost 31 per cent; for 1953, almost 47 per cent; and for the first 11 months of 1954, almost 28 per cent.

The article also takes up the question of farming, fishing, mining, etc. I shall not take the time of the house to discuss those industries this afternoon, except to say that in only one instance, that is fisheries, had the maritime provinces more than held their own during the past few years.

Now, I come to one of the recommendations in the amendment offered by our acting leader (Mr. Rowe). It reads as follows:

> (e) To facilitate and encourage the processing of our natural resources in Canada, and thereby increase opportunities and employment for Canadians;

I am 100 per cent behind that recommendation, Mr. Speaker. I have been advocating that for a good many years in this house. We in the province of New Brunswick believe implicitly in it. We believe that there are great potentialities, great opportunities in our province today. I do not wish to weary the house by repeating what has been said by members from New Brunswick during the last two years about the great natural resources, the great mineral deposits which have been found in the Bathurst area of New Brunswick. Last year in the Little River area north of the town of Newcastle they discovered even greater mineral deposits, including over three million tons of base metals, rich in copper, zinc and lead, etc.

Recently there has been a find near Woodstock which is reported to contain 150 million tons of manganese. I know, as other members know, that manganese is a very important mineral so far as the steel industry is concerned. I can recall during the first war, when we received most of our manganese from across the water, every effort was made to find manganese in this country. Little pockets here and there were dug and used. In the second great war efforts were made to find more of this mineral. Today, in the province of New Brunswick, we have 150 million tons of manganese which will be of great importance to a country so interested in the development of steel. I believe all hon. members will agree that minerals in the ground are of no value; they have to be mined. There have been millions and millions of tons of iron ore in Labrador for millions of years. A railroad has been extended into that area and those millions of tons of ore will be brought out and smelted. This means riches, not only for that part of the country but for the world in general.

There is not much benefit to any province or any locality if minerals are simply dug out of the ground and moved to some other place to be smelted. When that is done you are simply being hewers of wood and drawers of water. What we would like to have and

what we should have in New Brunswick are smelters which will process these great rich finds of minerals which we have.

When I asked the Minister of Trade and Commerce (Mr. Howe) why it was that we did not have decentralization of industry or more industry in our province he has told me on more than one occasion that the one essential was cheap electric power. We have suffered in New Brunswick in the past because we did not have cheap electric power in order to develop our resources or to manufacture in competition with other parts of Canada.

Now that these great mineral deposits have been found, our province will suffer even more unless cheap electric power is developed in New Brunswick. It will be noted from what I have said that New Brunswick is facing both an opportunity and a dilemma. Until cheap electric power is developed the maritime provinces, and New Brunswick in particular, will lag behind the rest of Canada. We have had neither the power nor the resources to do otherwise.

We know that there is enough undeveloped power in our province to make it potentially and economically sound and prosperous to exploit fully these newly found resources of mineral wealth as well as to develop the future manufacture of our raw materials. But we must have cheap power in relative plenty. This is now known to be available in the Saint John river and possibly on the Passamaquoddy.

I refer to the Passamaquoddy because the state of Maine wishes to have an investigation made of the possibility of using the tides for power development. I hope that it will be found practical. I hope that the Dominion of Canada will join with the United States in endeavouring to find out whether the development of the Passamaquoddy is a practical proposition. If power were to be developed there it would assist not only New Brunswick but all of the maritime provinces.

There is a great opportunity to start an industrial revolution in our maritimes economy. There is the usual problem, particularly for a small and poorer province like New Brunswick, which is ill equipped to finance the development of cheap power which is necessary for this other development. Our public debt has reached proportions where it absorbs nearly one-quarter of the provincial government expenditures just for service charges. Our population is small, it being hardly half that of the city of Toronto, but it is bearing this burden with a per capita income which is less than 60 per cent of that of Ontario.

[Mr. Brooks.]

Because we have not cheap power, industry has ignored our province for a great many years. As I said a moment ago, we have been asking continually for the decentralization of industry. We have been told repeatedly that there cannot be decentralization of industry until cheap power is available because industry will not go where there is no cheap power.

As I stated in the house at the last session, I believe that the immediate answer to our power problem is the development of power sites on the Saint John river, particularly at Beechwood. If there was a proper financing of the development at Beechwood it would start a downward trend in power costs and would affect the whole provincial industrial picture.

The provincial government has undertaken the development of Beechwood but it will cost $45 million or more. To go to the money market to finance this project would mean almost prohibitive power costs. It would not then be possible to attract the industrial development we desire in the province. I understand that the provincial government has come to Ottawa and said in effect, "Will the nation as a whole help us with this difficult problem? Once we have taken this big step we feel we will be able to go on by ourselves."

I understand that the provincial government is seeking a loan from the federal government for a period of years at a small interest rate. It is not seeking a handout, it is seeking a loan that would be repaid and which would be used for something that would be of great benefit to us. I have not seen any of the correspondence between the federal government and the provincial government but my understanding is that Ottawa feels it is not right or proper to give help along these lines for the development of provincial resources.

No doubt that is technically right, but on examining many of the activities of the federal government over the past year in different parts of Canada I find that assistance has been given to certain projects in areas which had no better claim than this, and, I feel, not as good.

As I said a few moments ago, we are assisting in the development of the St. Lawrence seaway which will not be of any direct benefit to the maritime provinces. We have paid out millions of dollars under the Prairie Farm Rehabilitation Act. The Minister of Agriculture (Mr. Gardiner) may reply that we have had assistance in connection with our marshlands, but for every dollar we have

received for the repair of our dikes I venture to say that $100 has gone to the western provinces.

I spoke about the Canso causeway a few moments ago and how pleased I was that Nova Scotia had received this great benefit. That is another proposition which is more or less akin to this assistance in the development of hydro power in New Brunswick.

A few years ago when the situation was so serious in Great Britain, they had what were known as depressed areas. I was pleased to read reports indicating that the government of that day decided to help these sections in Wales and Durham and other parts of England by bringing in industry, thereby attempting to bring those areas up to a level of prosperity with the rest of the country.

I think something of that kind should be done in Canada. The Minister of Agriculture mentioned the South Saskatchewan dam the other day. I understood him to say that perhaps it would go through some day. Power development is needed more by the maritime provinces than is the South Saskatchewan dam, in the west, but we in New Brunswick and the maritime provinces will raise no objections if he desires to go ahead with that proposition.

I do not think it is necessary, but the house may be interested in a few newspaper articles I have here dealing with what I have been saying. In the *Maritime Merchant* of January of this year there is an editorial headed "Power is the Key to Industrial Expansion", which reads:

> The paper mill of the New Brunswick International Paper Company at Dalhousie, New Brunswick, is said to use five times more power than the city of Saint John.
>
> The problem facing the Hearst newspaper organization in considering establishment of a $10,000,000 mill on Nova Scotia's eastern shore is said to be largely one of power supply.

Think of what that would mean to Nova Scotia. Mr. L. R. Riggs, the manager of the Brunswick Mining and Smelting Corporation Limited, when speaking before the Gloucester county council at Bathurst the other day, had this to say:

> The problem of whether or not there is to be a refinery in New Brunswick depends largely on the availability of cheap power in large quantities. Mr. Riggs gave as an example that their zinc smelter owned and operated by St. Joseph's Lead in Josephtown, Pa., used more electrical power in 1954 than was developed by the New Brunswick hydro commission in the same year.
>
> He stated that he was informed that Beechwood and the entire Saint John river proposed development would not have sufficient firm power to operate a similar type smelter in addition to the normal growth of the power demands for the province.

Professor William Y. Smith, head of the department of economics at the University of New Brunswick, when speaking to the council of the Saint John board of trade a short time ago said:

> From being one of the depressed or "have-not" provinces New Brunswick can expand and take its proper place as one of the provinces with a high and rising standard of living.

He mentioned the great mineral deposits and discoveries in the province and went on to say:

> The development of these mineral deposits can work a revolution in the provincial economy provided that they are developed in such a way as to be of maximum benefit to the province. The more refining and smelting of the ore which can be done within the province the greater will be the increase in incomes which will accrue to the people of New Brunswick.

This is the important part:

> To take advantage of our opportunity we need but one thing—large quantities of relatively cheap power. Almost one-quarter of all electricity consumed in Canada is used by mining, smelting and refining industries. New Brunswick must have more power; cheap power, together with proper use of our known resources, is the key to our future. By 1957 estimated normal demand for power will exceed the installed capacity of the New Brunswick Electric Power Commission.

I am not going to labour that point any further, Mr. Speaker. I should now like to say a few words about the army camp in New Brunswick.

The Minister of Labour spoke to the Fredericton retail merchants association a while ago and is reported in the press as follows:

> Mr. Gregg said the business section and the whole camp area was to become not only an integral part of the life of this immediate community but of New Brunswick as a whole.

Perhaps he had been receiving pressure from the city of Fredericton and other areas for special consideration. Gagetown camp is mostly in my constituency. Of the 1,100 people who were displaced and scattered over all parts of New Brunswick and Canada, over three-quarters of them came from the county of Queens, which is part of the constituency of Royal. These people are very well settled at the present time. I have discussed the matter before, but what I wish to impress upon the government, and especially upon the Minister of Defence Production (Mr. Howe), is that while we in New Brunswick cannot supply the millions of dollars' worth of clothing, boots and shoes, vehicles, guns and all that sort of thing that will come from Ontario and Quebec and from other parts of Canada, we can supply most of the food that is needed in this camp. For instance, there is no need to go to other parts of Canada than the maritime provinces to get the fish that is required for the troops who will be stationed there. My constituency is a great

dairy constituency and all the milk and butter required for Camp Gagetown can and should be obtained from the surrounding area.

I am pleased indeed to know that the heating apparatus for the different housing units is of such a nature that it will use New Brunswick coal. I suggested that in this house on several occasions and the Minister of Labour (Mr. Gregg) nods his head in affirmation of the fact that we are to use Minto coal. I congratulate the Department of National Defence on this. It will be a great boon to the coal-producing area of New Brunswick, which is partly in my constituency and partly in the constituency of the Minister of Labour.

Take fruits. You never hear very much about New Brunswick apples in this house, but I am sure the Minister of Agriculture (Mr. Gardiner), if he has eaten New Brunswick McIntosh Reds—and if he has not he has missed a lot—will say that in the Saint John river valley we grow the finest apples that are grown anywhere in this Dominion of Canada. There is no reason why the fruit that is necessary for Camp Gagetown should not all be purchased in the surrounding area. The same thing applies to small fruits, berries. Large quantities of strawberries and other berries are grown in and around the camp area.

Instead of being pessimistic in my speech I like to be optimistic. I was pleased to see a report a few days ago that the coal industry in New Brunswick had been prosperous last year. The answer is in the fact that the New Brunswick government is using as much provincial coal as possible. I commend them for it; I commend the federal government for its intention to use New Brunswick coal in the army camp. The pulp mills in New Brunswick have become extensive users of coal, and they have also purchased equipment so they can use our own New Brunswick coal. For this I commend them. The result is that that industry is on its own feet and is in a prosperous condition in New Brunswick.

I have some other notes but I see that my time is nearly up. The hon. member for Burnaby-Coquitlam (Mr. Regier) was down to our province last summer, and we are very glad to have members from other parts of Canada visit us. We have had a great many of them, and I am sure they are always welcome. Some praise us but most tell us how we should run our province. I should like to say this. We do not tell the other provinces how to run their business; what we do is send our people there who run it for them.

As an instance, the premier of British Columbia—this may not be popular—was a pupil of mine when I taught school in New Brunswick. At least three other premiers of the province of British Columbia came from the province of New Brunswick. The chief justice of British Columbia, the province from which this gentleman came and told us how to run our province, came from my constituency. The chief forester—and these are only a few that I can think of at the present time—came from the province of New Brunswick. The head of the Roman Catholic church in British Columbia, Archbishop Duke, is a New Brunswicker. Three of the six senators came from the province of New Brunswick, and two of them from my own constituency, I could go on, Mr. Speaker, and name many more notables who have come from our province and helped look after the government not only in British Columbia but in other provinces in this dominion. We also sent a prime minister to Great Britain, the only one, I believe, to come from any other part of the commonwealth. He came from New Brunswick.

Mr. Michaud: Hear, hear.

Mr. Brooks: I have now completed my remarks, Mr. Speaker, and I wish to thank hon. members for their very kind attention. I hope the government will take under serious consideration some method by which they can help us to help ourselves without costing the taxpayers of this country any considerable amount of money.

Mr. F. G. Robertson (Northumberland, Ont.): Mr. Speaker, I would like to join with other hon. members in extending my congratulations to the mover (Mr. Leduc) and seconder (Mr. Carrick) of the address in reply to the speech from the throne. I also wish to congratulate the government for foreshadowing legislation having to do with increases in the war veterans allowance and the income ceiling, as well as the liberalization of the Blind Persons Act. Both these measures will be much appreciated by the vast majority of Canadians, and I know the veterans themselves will indeed be thankful to the government for this action. As one member who has felt that this action should be taken as soon as economic conditions would permit, I am happy to see that this has now been done.

As the parliamentary representative for the county of Northumberland, wherein one-half of the people derive their income from agriculture, I naturally have great concern for the welfare of our farmers. It is a matter of note that the income of farmers during

the past ten years has been the highest on record. While we regret that there has been some falling off in income during the last two or three years, we believe this is not nearly as serious as some opposition members would have us believe. In fact, farm leaders themselves would be quite satisfied, in most cases, if present conditions could continue. I realize that the income of Canadian farmers as a whole is down, but I am happy to point out that, upon checking the income of Ontario farmers, I have found there was an increase of $49,233,000 in their income for 1954 over their income for 1953. This was largely brought about by increased prices for hogs, cattle, tobacco and similar products.

One branch of agriculture which has some reason for concern at the present time is the dairy industry, and I am happy to note that the Prime Minister (Mr. St. Laurent) a few days ago brought to the attention of this house the importance of the dairy industry to agriculture as a whole in Canada.

I am pleased to note that the government has continued its support program, because this has been most helpful not only to the Canadian farmer but in bolstering economic stability throughout the country. At the present time we have a support price program for eggs, butter, and hogs, and that program has played an important part in stabilizing our economy. I would point out that the cost of this program has been relatively low. On the support of farm products we have spent $80,163,658.71, of which some $69 million was spent because of foot-and-mouth disease in Canada. If we subtract the latter amount it will be seen that by the expenditure of some $11 million we have done much to stabilize agriculture in this country.

No part of our Canadian economy is more dependent upon international trade than is agriculture. The government is continually doing all it can to stimulate international trade and I would commend the government for its efforts in this regard.

Mr. Winch: In what manner?

Mr. Robertson: I wonder if the hon. member has read what the government did at the recent GATT talks, where it gave world leadership in promoting freer trade among the nations of the world. I would suggest to you, sir, that if you follow the importance of increased trade you will realize what it means to agriculture in this country.

Mr. Winch: Where has there been increased trade in Canada?

Mr. Robertson: The hon. member is not quite so well informed on agriculture as he may be on labour matters, and even there I question whether he is very much of an authority.

International trade, however, is not a one-way street. We cannot expect to export unless we import, and I think the government realizes this fact and that is the reason for the action they have taken.

I would ask the government to continue their assistance to the dairy industry, and I would also urge them to continue the support price for butter. I was very pleased indeed to learn today that the Minister of Agriculture (Mr. Gardiner) has recommended to the government that some of the surplus butter be taken off the open market, and that action will be taken in this regard. I think this will do much to stabilize the dairy industry in Canada. I would also ask the government to continue the support price of 58 cents per pound for butter after the termination of the present plan. I know it is not necessary to ask them to continue their efforts in promoting world trade whenever possible.

I should like now to say a few words regarding civil defence in Canada in the light of the knowledge which has recently become available, particularly with regard to the development of the hydrogen bomb. Let me say at the outset, Mr. Speaker, that I do not envy the task of those who are burdened with the responsibility for the development of a civil defence organization, whether it be on a federal, provincial, or municipal level. Those who are working in this field face extraordinary problems at all levels, and they must, I am sure, suffer extreme frustration.

I suggest though, Mr. Speaker, that Canada has made good progress in developing a civil defence organization. We have a well organized civil defence system on the federal and provincial levels, and in many of our larger cities and even some of the smaller communities. I think we can say it is comparable with the best of any other nation, though I do not argue for one moment that there is not yet much to be done. It is interesting to point out that the federal budget for civil defence has grown from $872,000 in the year 1951-52 to over $7 million during the present year.

The Minister of National Health and Welfare (Mr. Martin) has enunciated two basic principles having to do with civil defence in Canada. The first is that civil defence is essentially a civilian activity, quite separate and distinct from the national preparations which are necessary to defend this country by

military action in the event of war. The second is that civil defence is the general concern of all levels of government. There is an important role for every level of government in developing measures for the protection of their civilian populations, measures which must draw on the federal, provincial and local facilities and services. I should like to quote President Eisenhower's inaugural state of the nation address in 1953, when he discussed the last mentioned question:

> Civil defence responsibilities primarily belong to the state and local governments—recruiting, training and organizing volunteers to meet any emergency. The immediate job of the federal government is to provide leadership, to supply technical guidance and to continue to strengthen its civil defence stockpile of medical, engineering and related supplies and equipment.

Our federal government takes the same view, and in my opinion this is the only course possible. The federal government is acting as the planning, the guiding and the co-ordinating agency, but I think everyone agrees that the operational responsibility rests with the local authorities. Any other approach to this matter would be inconsistent with our conception of jurisdictional rights in Canada. It would represent an unwarranted intrusion upon provincial and local rights and would make for inefficiency if the federal government, for instance, should try to take charge of a community's fire, police and health services.

The financial arrangements have been changed within the last year. Under the new regulations federal aid can be given to municipalities undertaking civil defence projects regardless of whether provincial assistance is available, and it can be increased to double the basic amount for any project for which provincial assistance is available.

I should now like to give you some of the highlights of the federal program, which I feel is full of worth-while accomplishments. More than $2 million worth of civil defence training supplies and equipment have been provided to provincial and local organizations. This includes 15 fully-equipped rescue vehicles, 50 fully-equipped mobile fire pumpers, and 100,000 service type respirators. An extensive series of training manuals, films, exhibits and other educational material has been produced and made available without charge to provincial and local civil defence organizations.

A number of operational exercises have been carried out, of which the most far-reaching, "Operation Alert", was undertaken in co-operation with the civil defence authorities in the United States, to test the effectiveness of civil defence organizations in some 50 cities in our two countries.

[Mr. Robertson.]

A permanent civil defence college capable of training 2,000 instructors and key workers each year has been established at Arnprior. Special committees are engaged in working out detailed plans for the most effective use of transportation facilities, communications, health services, welfare services and so on.

To ensure co-operation with other friendly nations, Canada has become a member of the NATO civil defence co-ordinating committee, and federal civil defence officials meet regularly with their United States counterparts on the joint United States-Canada civil defence committee.

Agreements to share in providing compensation for injury to civil defence workers have been entered into with three provinces and the offer of federal assistance is still open to all the other provinces. Over 400 air raid sirens have been supplied to target areas exclusively at federal expense, and most of these have been installed with the federal authority sharing in the cost of installation under certain conditions.

The defence research board and other federal agencies are actively engaged on a number of research projects related to A B C defence, including the use of blood substitutes, shock therapy, weapons' effects and radiation detection.

The federal government has spent in the neighbourhood of $400,000 as a contribution of one-third of the cost of standardizing hose couplings in British Columbia, Alberta and Ontario. Every encouragement is offered to the other provinces to take advantage of this standing offer of federal assistance.

We live today in a hydrogen bomb age and there can be no doubt that if atomic science can be used for the betterment of mankind, we face a period of great happiness. If, however, it is used for war, then we face a period of unknown tragedy. I should like to quote to you what Senator Brien McMahon had to say with regard to this problem. He said in part as follows:

> It is our solemn obligation, I think, to lift our eyes above the lesser problems that seem to monopolize our time and to discuss and act upon what, by any standard, is the supreme problem before our country and the world.

It has been suggested by some people in this and other countries that the hydrogen bomb has made civil defence obsolete. Nothing could be further from the truth. I should like to bring to your attention the opinions of such men as Sir Winston Churchill, who said the hydrogen bomb made the need for civil defence even greater than ever; Sir John Hodsoll, who is director of the NATO civil defence committee; Sir Sidney Kirkman, who is director general of civil

defence in the United Kingdom; and General Gruenther, commander in chief of the NATO forces. All these distinguished and able men say that the need for civil defence is as great as or greater than ever. I should like to quote part of what the Prime Minister of Canada (Mr. St. Laurent) had to say, writing in the special supplement of the civil defence bulletin in January, 1955:

> We have all heard people say that because of the hydrogen bomb civil defence is obsolete. This to me seems like a hopeless and thoughtless attitude that can only mean greater destruction and loss of life if war should come. True, the hydrogen bomb is a terrible weapon. True, its use would mean many casualties and great suffering but it seems to me that this vastly greater destructive power calls for vastly greater effort, not for a hopeless attitude of defeat.

When anyone considers the problem which civil defence authorities are supposed to be trying to deal with, it is not too difficult to see the reason for the confusion, the apathy and the frustration which seems to surround this subject in some areas of Canada; for civil defence, by its very nature, in this cold war period can have no fixed or accurate terms of reference. We are trying to build up some protection against a risk the nature of which has, through force of circumstances, very many unknowns. We do not know if an attack will take place. We do not know when an attack will take place, whether it will be a year from now, ten years from now or twenty years from now. We do not know what part of Canada is likely to be hit, or the nature of the weapons that are likely to be used, or the probable frequency or intensity of the attack.

When it comes to a consideration of the terrible new weapons which are likely to be used in any future war—the atom bomb and the hydrogen bomb—we have access only within limits and in rather secondhand fashion to such information as may be supplied to us by the military and scientific authorities of friendly countries.

We have little or no means of establishing the detailed nature of the problems that we have to face by resources which we have at our own disposal, and even the information which we obtain from other friendly sources is in a sense theoretical because in fact, with the exception of the atomic bombs which were dropped on Hiroshima and Nagasaki in 1945, no atomic or hydrogen weapon has ever been used on military forces or on the civilian population in any other part of the world. In view of these facts it is not surprising that military, scientific and civil defence authorities of this and other countries should find themselves in a position where they have not yet all the answers to the question, how do we protect ourselves against the atom or hydrogen bomb?

I suspect that few members of the house and an even lower percentage of our general population have yet absorbed the full significance of the reports which have been published on the effect of the hydrogen bomb. Once the Canadian public learns the extent of this threat and the size of it, I am sure we will have an end to such incidents as we have witnessed in the cities of Victoria, Peterborough and Montreal. As you know, within the last year the civic authorities in these three centres have said they would discontinue their small civil defence organizations. I am happy to know, however, that on second thought the civic authorities in Victoria and Peterborough reconsidered this decision and are now carrying on their civil defence organizations in a much firmer way than before. I have reason to hope and I am confident that the civic authorities in the great city of Montreal, once they have had an opportunity to learn all the aspects of the problem, will reconsider their decision, and that we will see their civic defence organization established on an even firmer basis.

It is, I believe, the responsibility of each member of the house to support the development of a strong and alert civil defence organization in that part of Canada which he represents. In order to do so effectively it is necessary that each member have a clear understanding of the destructive power of the hydrogen bomb. I firmly believe that if we can get, on the part of all governments, a clearer understanding of what the hydrogen bomb can accomplish in the way of death and destruction, we will then have no more uncertainties and no more arguments as to whose responsibility it is to provide a civil defence set-up. This is not the time for provincial and local governments to think of withdrawing their support. No government can do this job alone, not even the federal government.

I am one who believes that responsibility for the survival of its own citizens is part of the responsibility of every form of government in Canada. It clearly requires the moral and financial support of every level of government in Canada and, more than that, it requires the participation not only of governments but of the citizens themselves.

I should like to give you now a few facts as to the destructive power and after-effects of hydrogen and atom bomb explosions, to illustrate the size of the potential danger which we must understand and communicate to the people whom we represent. My information comes in all cases from published sources, particularly the bulletin of atomic

scientists, the issues for November and December, 1954, and from a release on the effects of the hydrogen bomb issued by the United Kingdom home office and appearing in the British magazine *Civil Defence*.

In this last-mentioned magazine there is an interesting and awe-inspiring table giving the terrific increase in the destructive power of thermonuclear weapons since August 1945, when the first bombs were dropped on Hiroshima and Nagasaki. Those bombs are now known as nominal atomic bombs, and in their destructive power represented that of 20 kilotons of t.n.t., which is 20,000 tons of t.n.t. I do not believe that the general public has yet begun to appreciate the destructive powers even of the outmoded nominal atomic bomb of 1945. These bombs, carried in a single plane, encompassed as much destruction as was encompassed by our 1,000-plane raids over a number of German cities during the last great war.

We cannot really grasp even yet what it would mean if one of these bombs should be dropped on one of our Canadian cities. There would be an area of total destruction one mile in diameter in which every building and every individual would, in a single instant, be destroyed or killed. However, the nominal atomic bomb is now the water pistol of the thermonuclear age. Atomic bombs grew to 1,000 kilotons. They grew until we knew that there were atomic bombs of a striking force equal to one megaton or 1,000,000 tons of t.n.t.

The giant hydrogen bomb first appeared in the United States tests of 1952 and in the Russian tests of 1953, and then on a larger scale again in the early part of last year. It is reported by the magazine *Civil Defence*, to which I referred a few minutes ago, that the United States now possesses bombs of the nature of 20 megatons in strength. This means that one bomb has the striking force of 20 million tons of t.n.t., 1,000 times as strong as the nominal atomic bomb first used in 1945.

Let me refer again to Hiroshima and Nagasaki. A nominal atomic bomb was dropped killing some 45,000 people in one city and 25,000 in another, and producing an area of total destruction about one mile in diameter. Today we know that we have hydrogen bombs 1,000 times as powerful. How can we measure the destruction certain to be created if one of these bombs should be dropped? I turn again to the British home office article, and I read there that the area of total destruction would be a circular area some five miles in radius and 10 miles in diameter, within which everything would be totally destroyed. We know that the cities of Hull and Ottawa could be encompassed in such an area. That means that if a bomb were dropped at ground level in this area the whole of metropolitan Ottawa and Hull would be destroyed.

But that is not all of this terrible story. Extending for another seven and a half miles in all directions would be an area of irreparable damage in which every building would be, for all useful purposes, destroyed, and most of the people in that area would be likewise killed or injured. Extending beyond that again for another seven and a half miles would be another area of extensive damage in which the buildings could possibly be repaired for future use.

I have described in some detail, Mr. Speaker, the area of destruction covered by this largest in the family of hydrogen weapons to date because I think it is important to impress upon the house and upon the people generally the large city and suburban areas which can be blasted into oblivion by the hydrogen bomb.

I have dealt principally with the blast effects of the hydrogen bomb, and have said nothing about the equally devastating effects of heat and fire. I do not propose to go into this phase of the subject because time will not permit. I should like to say, however, that Dr. Ralph E. Lapp, one of the United States' greatest atomic scientists, writing in the November issue of the bulletin for atomic scientists, in an article entitled "Civil defence faces new peril" said that the 10-megaton bomb—about one-half the size of the bomb to which I referred a minute ago—had a fireball measuring some three and one-quarter miles in diameter.

Anyone who has seen the film of the United States hydrogen bomb explosion of November 1952 entitled "Operation Ivy" can testify as to the awe-inspiring nature of the fireball resulting from that explosion. There was a mass of angry, seething, burning gases which literally consumed all the air and destroyed, in a single instant, everything that had not already been devastated by the explosive force in an area some three and a quarter miles in diameter. If you compared all the fires which would take place in Canada over the period of one year with the fireball resulting from this explosion, the fireball would dwarf the sum total of those fires.

But fire and blast are not the only death-dealing or destructive weapons resulting from the explosion of a hydrogen bomb. We have to deal with a new element, namely radioactivity. In the past we have had to deal with explosive and fire effects, but never on the same scale as we would have to deal

with them following the explosion of a hydrogen bomb. We have never, however, had to deal with the problem of radioactivity. If war should come this could very well be one of the problems facing civil defence workers in this country. Much has been said and written about the radiation that exists at the time of the bomb explosion. We know that then large quantities of alpha, gamma and beta rays are set free, and that unprotected persons exposed to these rays within a few miles of the point of explosion might be subject to lethal doses of radioactivity even though the time taken for this radioactive flash is only a relatively few seconds.

More serious than this, however, is the radioactive fall-out which takes place. Large quantities of debris and dust are sent upward into the mushroom cloud resulting from the explosion. They become impregnated with radioactive materials, and they are forced into the upper air by the nature of the explosion. This material is carried by the wind and may produce very serious damage in areas many miles from the point of explosion. We have all read of the serious illness which affected the fishermen on a Japanese fishing vessel, and the death of one of these fishermen, as a result of being subjected to this radioactive fall-out.

There is plenty of evidence coming out of the experience of these tests, and now appearing in published form, which suggests that not only the very large area directly affected by blast and fire as the result of an H-bomb explosion, but also a much larger area extending many miles downwind from the target city itself will be equally subjected to the danger of this lethal radioactive fall-out.

What does all this mean, Mr. Speaker, so far as civil defence is concerned? Clearly it means that the dimensions of the problem are greatly increased over what they were a year or two ago. When the bombs were dropping over the cities of England during world war II, it was possible to think in terms of standing fast and fighting it out. Dr. Ralph Lapp, in the article to which I have already referred, clearly indicates the existence of a new state of affairs when he says that distance is now the best defence against the bomb. What does this mean? It means surely that our best hope of saving lives in the event of an attack with atomic or hydrogen bombs is to take advantage of any advance warning we can get. We should plan to move as many people as possible out of the target area before the bomb lands. It has to be recognized that there is no hope whatever of survival for those people caught in even our largest cities at the moment the bomb is dropped. Their principal hope of survival lies in the possibility of getting several hours advance warning, and getting them away from the danger point. It is for that reason that civil defence in Canada is giving, and I believe should continue to give, attention to the possibilites of traffic control, planned evacuation of our cities and the development of ways and means by which people can be housed, fed and clothed in reception areas 50 or perhaps even 100 miles away from their normal place of abode. Experiments have shown that large cities can be evacuated in a relatively short time. If there is time after a strategic alert, evacuation can be on a gradual basis and only those people required to stay in the city would have to be removed on short notice. Wide exit lanes can be built out of our larger cities which would allow the swift removal of the people from them.

This problem is difficult and complicated indeed. It involves careful planning of the quickest and best means of getting large numbers of people moved rapidly out of our crowded urban areas. Each city will present its problems. Each city must have its own individual plan. Above all, the co-operation of the people themselves in remaining disciplined and obeying the instructions given them by their authorities during test exercises and on other occasions is essential to the successful operation of such plans. Fortunately the expense of such a plan, of such an organization, of tests and practices designed to increase the efficiency of such an operation, need not be very great. Knowledge of local traffic conditions already exists on the local level. Municipal authorities already have, in their police and traffic forces, a nucleus on which to build an excellent plan for their own population. Much can be done with a well thought out plan based on detailed knowledge and supported by the local civic authorities as well as the population of the community itself.

It is clear that the number of people exposed to death and injury from hydrogen bombs is very great indeed, but it is also true that sound civil defence planning can possibly save more lives than ever before. Because of the wider areas of damage that are now possible, mutual aid among communities large and small takes on added importance. In certain localities mobile columns should be organized which could come to the assistance of neighbouring communities. Shelters located at the periphery of target areas would provide some measure of protection to people who must remain there. Radioactivity can kill people many miles removed from the explosion centre, but shelters that would provide an earth cover of three feet would give a great measure of

protection against radioactive fall-out. High intensity radiation meters and people trained in their use would be invaluable to indicate when it is safe for people to leave their shelters. Inhalation or ingestion of radioactive debris is a matter that requires further study, but there is much hope that proper respirators can afford great protection against inhalation of these poisonous substances.

Plant location is another matter which should be considered in the light of our present knowledge of hydrogen bomb warfare, in order that our ability to wage war should not be impaired by the destruction of our industrial capacity and the death of our industrial workers.

I do not suggest that civil defence has reduced itself to this single, simple formula. That is far from being the case. We have, of course, to contemplate the possibility that other kinds of weapons besides the H-bomb may be used, and for these alternative possibilities we must continue to carry out the kind of civil defence operation and organization that we have been accustomed to in the past. We cannot discontinue our training in the fields of fire fighting and rescue training; we cannot discontinue our planning in the medical field. We will certainly under any conceivable form of attack need a sound system of warning and communications.

All these are elements in our present program of training and preparation. All these will be needed under the new circumstances which have developed out of the hydrogen bomb tests of the last few years. But what has emerged more clearly than anything else is that in terms of the use of these largest weapons of destruction only those who prepare their plans ahead of time, only those who remain disciplined and calm and cooperate with the proper authorities in removing themselves from the point of danger as far as possible in advance of the actual incident, can have any hope of survival. It is well for us to recognize this now, because only by recognizing it and co-operating at all levels of government to bring the importance of these facts home to the people can we begin to think through the kind of constructive civil defence plan and program which will be just as essential for our survival as the armed forces themselves.

(Translation):

Mr. Romuald Bourque (Outremont-St. Jean): Mr. Speaker, may I be permitted, at the beginning of this speech, to add my congratulations to those extended by previous speakers to the mover (Mr. Leduc) and seconder (Mr. Carrick) of the address in reply to the speech from the throne, for the ease with which they both carried out their task. I am sure they will leave their mark in this house and that their voice will add to the interest of the debates in which they will take part.

(Text):

Mr. Speaker, the comments made by some of the opposition members who have spoken in this debate have sometimes ranged far from the subject under discussion, which may be the natural result of their finding little or nothing to criticize. The hon. member for Burnaby-Coquitlam (Mr. Regier), for instance, gave us an interesting summary of the opinions he formed of his fellow Canadians following a trip across Canada last fall.

I agree with him that we would all benefit by adding to our knowledge of our own country by visiting each of our ten provinces, and that is an opportunity which I am sure each one of us would be happy to grasp.

Like the hon. member from British Columbia I too have been pleased to travel across this dominion. Just two years ago I visited his home province for the first time, and I was greatly impressed by all I saw there. I found the people of British Columbia extremely kind and hospitable. As a French Canadian I was received with the warmest kindness. While I was able to spend only a few days in Vancouver, I must confess that I found there no disturbing signs which would indicate any immediate danger of an outbreak of communism or of any other "ism" which would imperil our country. I found British Columbians to be much the same as Canadians in every other province I have visited, very much the same as the people I meet and see in Montreal or Quebec city.

However, the hon. member for Burnaby-Coquitlam had an entirely different experience in the province of Quebec. It makes me wonder who were the people he met during his sojourn there. Historically the province of Quebec has always been an honest, industrious and God-fearing province. Rich in natural resources, it is equally rich in the quality of its people. It enjoys to a greater degree than any other province, with the possible exception of New Brunswick—the state of which the hon. member also found disturbing—the benefit of two great cultures, French and Anglo-Saxon. More than any other, too, it has found out how to blend these two cultures so that instead of being antagonistic to each other they are complementary.

Quebec, too, is prosperous. Possessor of more than 50 per cent of Canada's developed water power, it is home to many of this country's greatest industries. Capital from many parts of the world, as well as from other parts of Canada, has found a safe field for

investment in Quebec, and millions of tourists each year come to visit that oldest section of Canada.

This surely is not the background for a communist revolution. Nor could the great majority of Quebec people, who are faithful adherents of the Catholic church, be considered likely recruits for the godless forces of international communism. Throughout the world the Catholic church is recognized as the great bulwark against the red peril, and in Quebec its members are not all French-speaking. It is the church of people of many races, loyally supported by Canadians of many different origins.

A province so wealthy, so long noted for its industry and thrift, so successful in promoting harmony and happiness among its people of differing languages and culture, is not a very logical hunting ground for the sowers of hatred and discord. I am surprised that the hon. member found among our many hundreds of thousands of loyal and contented citizens the few who would seek to foment trouble even if they lived in paradise.

When he refers to the fact that the communists in Montreal polled more votes than the C.C.F. party to which he belongs, the hon. member, I am afraid, was not pointing up the menace of communism as much as he was demonstrating the failure of his own brand of socialism, which has not yet succeeded in electing a single member from the province of Quebec.

At the conclusion of this session the hon. member might be well advised to spend more time in his own constituency, where the voters have already taken the first step in the direction which the member fears and have moved away from the political parties which gave this country birth and have brought it to its present stage of development. There he is more likely to find the measure of his discontent.

Mr. Speaker, I was very pleased to read in the *Financial Times,* issue of January 21, 1955, the statement of Mr. H. D. Scott, superintendent of foreign business for the Imperial Bank of Canada, who has just returned from a three months, 40,000 mile trip, which took him to Australia, New Zealand, Japan, India and Pakistan, as well as the United Kingdom. He said:

"Canada's record has never stood higher in the estimation of foreign countries than at the present time", he said, "and Canada's trade and diplomatic officers were doing an exceptionally fine job wherever I met them. These government officers working overseas are a tremendous help to the Canadian businessman visiting foreign countries. I cannot speak too highly of their help and service.

"Canada is greatly respected throughout the free world", Mr. Scott said, "and there is absolutely no doubt that countries in the Far East and in the western hemisphere admire the manner in which we have conducted our economy during the post-war years and are amazed at our industrial and business development. Wherever I went I was told that Canada is truly a remarkable country."

To return to the outline of the legislation contained in the speech from the throne, I should like to refer briefly to two specific items. The first is the amendments which are to be made to the Blind Persons Act; the second is this government's support of the rearmament of Germany. To the first I give my wholehearted support. The second I support, as I suppose many of us do, as the lesser of two evils. I fear it, but I see no alternative.

The hon. member for Lincoln (Mr. Cavers) expressed the hope that a greater measure of help will be given to the blind, and referred to those in his constituency who suffer from this great affliction. For many years I have been keenly interested in the welfare of the blind in the province of Quebec, and have been an active supporter of the Canadian National Institute for the Blind. My work with these people has been one of the most inspiring and most heart-warming experiences of my life. I have visited and talked and worked with many who live in a world of perpetual darkness. Seldom if ever have I heard a word of complaint. I have heard of their difficulties in making a living, and of how they have overcome those difficulties. I have heard, too, of the petty criminals who take advantage of blind people in the course of their day to day business.

These people deserve all the help that can be given them, because they do not depend upon help but are eager to serve themselves. Any more generous provision for their care and assistance that this government can give them will, I am sure, be warmly supported from all sides of the house. This is not a political matter; it is a humanitarian action which we all approve.

The question of rearming Germany is an entirely different thing. Just as many of us during our lives have come in contact with the blind, so have many of us seen the horrors of war which have been visited upon us twice during a quarter of a century. We know personally the victims of German oppression and German atrocities. We recall all too clearly the days of the 1930's when a rearming Germany once more became the scourge of the world. For six years we fought a rearmed Germany in defence of freedom and human decency. As we laid down our arms we hoped fervently that we would never be called upon to pick them up again, and in our wisdom we decided that the power to destroy should never again be restored to Germany's bloodstained hands.

Just a few days ago I was reading in my copy of *Hansard* for April 17, 1951, the maiden speech in this house by the hon. member for Cartier (Mr. Crestohl). He declared, in much stronger terms than I could, his opposition to any move which would result in the rearming of Germany. "We are now considering," he said, "placing weapons in their hands once more. What can we expect in 1952, 1953, 1954 and the years that will follow?" he asked.

Well, the years 1952, 1953 and 1954 have come and gone, and the great German problem which the hon. member for Cartier feared at that time has given way to an even greater problem. How can we defend our freedom and our democracy against the menace to the east without the aid of our former enemy? History does not always permit us to be logical and almost never permits us to be sentimental. England fought for many long years against the tyranny of Napoleon. No greater enmity in the world existed than that between England and France. Yet in the face of new perils the two nations became allies and, even more important, friends.

Had Britain determined that her ancient enemy, France, should be forever disarmed, who would have stood by Britain's side against the Hun in 1914-1918? Then there might not even have been a second world war in which France, weak as she was, would once more face the German horde and give Britain at least a little time to prepare her defence.

We who have lived through two great wars can have little love for Germany and little desire to restore her might. But we must live with history; we must realize that self-preservation is sometimes more important than sentiment, and that allies cannot always be chosen for reasons of affection. During the war we had the Soviet union as an ally, though many of us accepted her with grave doubts. Even Sir Winston Churchill, Britain's wartime Prime Minister, greeted this unexpected and new-found friend with considerable lack of enthusiasm. "I will accept aid from wherever it comes", he said, "satisfied that Germans killed by Russians would be just as successfully removed from the war as Germans killed by Englishmen or Canadians or anyone else."

Today I am pleased to see that the hon. member for Cartier, realizing that conditions existing in 1955 are different, like all of us has put aside his personal emotions and decided to accept the lesser of two evils. I am sure he agrees that we are in much the same historical position. West Germany is necessary to our defence, necessary perhaps to our survival.

[Mr. Bourque.]

Represented as we are in the councils of Europe by our able Secretary of State for External Affairs (Mr. Pearson) we receive our information at first hand. We have no experience in foreign intrigues, and we want none. We are prepared to face facts, however distasteful they may be, and the facts as presented to us by the Secretary of State for External Affairs indicate that as members of the western community, as defenders of western ideals, we will be better served if we approve this rearmament policy than if we oppose it.

My support of this policy, I must admit, has been strengthened by the volume of mail and the number of petitions that have reached my desk in opposition to it. The communist friends of Soviet Russia in this country are against rearming West Germany. They are doing everything they can to prevent it. They have succeeded in convincing me even, I must say, against my wishes, that it is our only salvation.

Mr. MacInnis: On a point of order, Mr. Speaker, surely the hon. gentleman who now has the floor is reviving the debate which concluded a day or so ago. Will you rule on that point?

Mr. Deputy Speaker: The hon. member may not, of course, refer to a debate which has been concluded, as the hon. member for Vancouver-Kingsway (Mr. MacInnis) has so correctly pointed out. However, I was following the hon. member and his remarks are of a somewhat general nature, though I would ask him to refrain from referring particularly to the debate which was concluded.

Mr. Bourque: In these perilous times, the speech from the throne delivered to this parliament revealed much for which we can be thankful. We are far removed from the immediate and devastating threats of war. We are enjoying a prosperity which is built upon sound foundations. Even some of our good Tory newspapers do not hesitate, from time to time, to report news which tells us how fortunate we are to live under this good Liberal administration.

Arthur Blakely, parliamentary correspondent for the Conservative Montreal *Gazette*, reported in his column on January 13:

> Canadian housewives, irritated by high coffee prices, would be more so if they were on the other side of the curtain. A pound of coffee goes for the equivalent of $4.78 in Russia. The Rumanian price tag is even higher, $6.47. Further west, in Hungary, the price is $13.54 per pound. And in coffee-loving Czechoslovakia, it is $18.85. Poland, reports here indicate, places the highest price tag of all on coffee. The asking price: $45.45 per pound.

In Canada prices have remained at reasonable levels and earnings have been reasonably high. The proof is to be found in the possessions of the average Canadian family acquired since the war. More people own their own homes, drive their own cars, have television sets, radios and even record players than ever before. More students are enrolled in our colleges and universities. More people of all ages crowd our winter and summer resorts and go to our moving picture theatres and sports events.

Opposition members have made much of the reports of increased unemployment, but unemployment is not cured by unemployment insurance or even by public works which, necessary to a degree, are an important part of government policy.

The amendments to the Unemployment Insurance Act reveal the government's acceptance of its responsibility for those who are without work. They provide an increase in unemployment benefits from $2.15 to $2.85 a day in the case of a person without dependents, and from $2.80 to $4.00 a day in the case of a person with dependents. This involves a maximum daily contribution of 9 cents for the insured person. At present a person in class 2 who has the minimum number of qualifying contributions, namely 90, is entitled to 16 days' benefits. The amendment increases this minimum to 60 days or 10 weeks, and will not affect those who qualify for more.

This provision will allow every recipient in the supplementary benefit period of 1955 to benefit for the minimum period of 60 days, and if they have exhausted their entitlement they will receive the difference between the number of days already obtained and the 60-day guarantee. A review of the situation as it exists in Canada today will, I believe, satisfy any hon. member that this phase of government policy is fair and reasonable. But the real remedy lies in hard work, increased production and sound business. It is those qualities which this government seeks to encourage and promote, and I wholeheartedly support those policies designed to create a climate in which the economy of this nation can successfully operate.

Many serious problems will face hon. members during this session and in future sessions. I believe we are all prepared to give these problems serious, fair and honest consideration. To those who criticize us for increasing our salary to $10,000 a year I would refer to a recent newspaper heading: "Bob Hope Gets $100,000 as M.C. for T.V. Hour," or to the newspaper reports which carried the story that Jackie Gleason, an American comedian, signed a three-year T.V. contract for $7 million per year. Surely, by comparison, we in this house are not overpaid.

Mr. Hayden Stanton (Leeds): Mr. Speaker, in rising to speak in the throne speech debate I would like to congratulate the hon. members for Verdun (Mr. Leduc) and Trinity (Mr. Carrick) on the able manner in which they moved and seconded the address in reply to the speech from the throne. They did an excellent job, particularly when we consider the small amount of material with which they had to work. I am sure they did their best to make a lot out of a little.

They and other Liberal speakers have tried to make the people of Canada believe that milk and honey flow from this Liberal government, but if that is the case I would suggest to the Minister of Trade and Commerce (Mr. Howe) that he extend that pipeline across Canada as speedily as possible, so that some of that milk and honey will flow into the homes of those who are unemployed in this country at the present time.

The government, we are pleased to note, has at long last reviewed the plight of many of our war veterans, and is considering ways and means of relieving their burdens. This is exactly what the different Legion branches across Canada have been urging. We must realize and admit that the members of that body of service men and women have never been, nor are they now, unreasonable in their demands. The legislation they asked for last session received favourable consideration from the Minister of Veterans Affairs (Mr. Lapointe) but somewhere, somehow, after the presentation of their brief to the minister, something went wrong within the cabinet and they did not receive the support that was justly theirs.

In formulating legislation for veterans and blind pensioners, the government seems inclined to place them in the same category as those receiving old age assistance. This should not be. I believe that when we are considering the welfare of our returned men and women we should throw aside any hint of party politics and consider every request from the dominion command of the Legion, and all legislation pertaining to their welfare, strictly on its merits, to give them whatever benefits we can which will contribute to making brighter the lives of those who are maimed, or who are discouraged by adversity in the sunset of life. They have it coming to them and I hope the government, now that it has announced consideration of the veterans' request, will not do as it did in 1954 and forget about them before the session closes.

Nearly every item that has been mentioned in the address has been suggested or sponsored by members of the opposition in the last few sessions. The government are past masters in the art of availing themselves of constructive legislation based on suggestions of opposition members. They were prodded all last session for additional benefits for the disabled men and women of the army, navy and air force; they have been prodded for more generous treatment to the blind. No doubt they would never have thought of either of these matters if it had not been for the opposition members bringing this much-needed social legislation to the attention of the house.

Now that consideration, which is long overdue, is being given to the extent of $5 million for the removal of hazardous railway crossings, which are taking a greater toll of human life every year, I hope the expenditure will be distributed evenly across Canada where it is most needed, and not where political pressure is greatest.

I must at this point deviate from my address in order to bring to the attention of the government, and especially of the departments concerned, a situation that exists at Brockville. Trains that stop at this station cut across the main avenue from the north, which consists of highways No. 42 and No. 29. This is not only inconvenient because long lines of traffic are held up for long intervals; it is also dangerous, as two schools are now situated north of the tracks. Neither Brockville nor any other place can afford to lose even one of its children. I am sure the people of this county town would greatly appreciate a subway or overhead pass to take care of the ever-increasing traffic.

I was much amused to read in some of the old *Hansard* reports the remark made by the hon. member for Temiscouata (Mr. Pouliot) to the effect that the old station in his constituency had bedbugs, and that a new one was needed. Our station at Brockville has not yet reached that stage, but it is far from adequate for a thriving town and community of nearly 20,000 people; it is more suitable for a small town or village.

There are three major improvements that the town of Brockville must have if it is to keep its place in the expansion of eastern Ontario. The first is a subway or overpass at the northern limits of the town. This is a necessity at the present time. The second is a more modern station to take care of the ever-increasing population which the building and completion of the St. Lawrence seaway will bring. Third, and perhaps most important, is dockage that will be adequate to accommodate the freighters that will be plying the St. Lawrence and the great lakes when this project is completed.

I cannot be unmindful of the unemployment which exists at the present time, and which is growing week by week. I shall not take time to deal with its many complexities. That has already been done by other members of this party. However, I should like to draw the attention of the house to the situation in which the employees of our two railways find themselves. In the early part of January of this year it was announced that 50 men would be laid off from the division between Cornwall and Gananoque. This is only what is happening to the railway employees all across Canada. The minister has admitted these lay-offs, and still the government is not putting forth any effort to effect a remedy but rather is sitting smug in the knowledge of its large majority. Many of these railwaymen have their homes in communities in which they have always lived, and it is not easy for them to pull up at a moment's notice and move to a place unknown to them.

You may ask what is the remedy. There are few ills for which there is no remedy. In 1934 the then minister of public works had inserted in all departmental contracts a clause which read as follows:

> Transportation of material and plant: All material and plant used in connection with the execution of this contract must be transported over railways operating in Canada to the greatest possible extent.

The Department of Transport construction contract forms contained a similar clause. Recently the Minister of Public Works (Mr. Winters) and the former minister of transport caused the deletion of this clause from their contracts. Surely this clause, which has served such a useful purpose through all these years, could still serve in diverting to the railways much valuable traffic which they formerly enjoyed. Surely the government should be anxious to divert as much traffic as possible and as large a volume of business as possible through the channels of its own railroad.

We must realize that the railroads must work under many restrictions and conform to many regulations laid down by the board of transport commissioners, who have no jurisdiction over international and interprovincial highway operations. Although the supreme court and recently the privy council held that the federal authorities had jurisdiction over these highway operations, the government has lamely taken steps to hand these powers over to the provinces. So often when there is a decision to be made on some controversial question the government backs

away, meekly says "This is not our baby", and immediately tosses it over to the provinces. It is an old habit of the government when it does not want to face up to an issue.

Representing as I do a constituency that is 50 per cent rural, I would be remiss in my duty—indeed, I would feel myself to be a poor representative of that grand old riding of Leeds which produces an abundance of milk and milk products, especially cheese—if I did not at this time bring to the attention of the government the situation in which the producers find themselves at the present time. This situation will become far more acute as time goes on if New Zealand cheese continues to be imported into Canada.

It is an impossibility for Canadian dairy farmers to compete against their neighbours in the southern hemisphere in the matter of producing milk and milk products. We must realize that in Canada, on the average 100 acre dairy farm, the capital expenditure for buildings in which to house the cattle in the winter and for implements to produce food for those cattle for nearly seven months of the year, is at least $15,000. Furthermore, it will take one man to care for and to produce the feed for the winter months on a farm that will accommodate 15 dairy cows; and if he works only eight hours a day, or 40 hours a week, that number of cows will be materially decreased. How then can the Minister of Trade and Commerce or the government expect the dairy industry here, under these conditions, to compete with the dairymen of New Zealand who do not have to provide winter accommodation for their cattle, except a milking shed; where they do not have to provide any winter feed because the cattle have the advantage of pasture the year round; and where each farmer, by not having to provide winter care or feed, is able to milk and care for an average herd of 40 to 50 dairy cows? Again I say it is impossible for a dairy farmer in Canada to produce milk and milk products on a competitive basis with New Zealand. It just cannot be done.

While high tariffs and import quotas are unwise, perhaps, in the long run, Canadian industry is protected by substantial tariffs—and perhaps rightly so—running in many cases from 20 to 35 per cent and as high as 40 per cent. At the time the Minister of Trade and Commerce offers to balance New Zealand's trade budget by taking 2¼ million pounds of cheese, Canadian farm products are shut out of many world markets by embargoes. New Zealand has carefully restricted imports since 1938, yet our government is allowing cheese to come into Canada after the Ontario cheese producers have contributed over $1 million of their own money to stabilize cheese prices and permit them to offer a more acceptable and attractive price to the importers of Great Britain. The government apparently has no constructive trade policy regarding farm products, more especially with Great Britain which has always been our most stable market. Now we have 2¼ million pounds of imported cheese, and no assurance from the minister that there will not be more. He has intimated to the house that he does not expect any more for six or nine months. I suppose he thinks that by that time the farmers will have forgotten.

I consider this is a real slap in the face to the dairymen of the dominion. It hits at the very economy of our agricultural industry, in which dairying plays so important a part. When the purchasing power of the rural district is lowered, the economy of the whole country suffers. No truer words were ever spoken than those of that celebrated finance minister, Sir Thomas White, when he stated that the economy and prosperity of a nation lie in the top six inches of soil.

Farm incomes have been materially reduced during 1953 and 1954, and the effects are already being felt across Canada. There is not at the present time the purchasing power there was some three years ago, and as a consequence there has been a serious unemployment situation at the Cockshutt plant at Brantford and the Massey-Harris works at Toronto. Worst of all, that grand old firm of Frost and Wood, later a subsidiary of Cockshutt, which has been the backbone of Smiths Falls through all these years, I believe since 1892, has ceased to operate on account of decreased sales. This will be a serious blow to the employees, many of whom are past middle life and have established homes for themselves and their families.

Agriculture, I contend—and I want to bring this to the attention of hon. members—should be thrifty enough and have an income sufficient to be able to compete with urban industry in wages. By so doing it would supply employment instead of furnishing employees for the urban centres. There are thousands of cars and buses commuting daily from the rural districts to the larger towns and cities. Why do they do this? It is only natural that people go where the remuneration for their labour is highest. Therefore it is plain to be seen that if the agriculturists of this dominion—and you will take notice that I use the word "dominion"—were able to compete in the wage field this labour trend would not be so pronounced. Indeed, I believe it would not be half what it is at the present time. It is simple mathematics. If there are not enough jobs for all, then for

every 100 men who commute to work from the rural areas there will be 100 unemployed in the town or city.

Knowing that New Zealand cheese will soon be on sale in our grocery stores, it is indeed hard for me to take part in the debate regarding this situation without using words most unbecoming to the dignity of the house. I wonder what the Minister of Agriculture would have said if 2¼ million bushels of wheat had been dumped into Canada from the Argentine, Australia or some other wheat-producing country. I wonder what the hon. members on my left, the socialists, would have said if their wheat market hung in the balance. I am sure they would have protested so loudly, and rightly so, that the sound barriers of this house would have been broken.

I cannot understand how so many hon. members on the government side of the house who represent dairying constituencies can be so patient at this time when the economy of their people is threatened. They must be a well disciplined group, quite content with the decision of their superiors even if it does distress and make the going more difficult for their people. That is what the present government is doing, making it as impossible as it can for the dairy farmer. However, I must congratulate the hon. member for Glengarry-Prescott (Mr. Bruneau) for his outspoken address on the subject that is uppermost in the minds of his people at the present time. He and the hon. member for St. Boniface (Mr. Viau) must have more courage than their associates.

The Minister of Trade and Commerce, by stating that he did not think there would be any more shipments of New Zealand cheese for the next six or nine months, has created a very uncertain and shrouded situation for the coming year. The Ontario cheese marketing board, the cheese producers' association and the farmers who produce that commodity do not know at the present time just where they are at.

I hold in my hand a portion of Canadian cheddar, which is not one of the finest but the finest and most appetizing cheese to be found in any country. It is a crying shame that we have to be subjected to the importation of an inferior quality of cheese when we have in storage now over 41 million pounds with a surplus of nearly 12 million pounds for which we have no market at the present time.

I should like to draw to the attention of the house and the people of Canada just what this shipment of New Zealand cheese means in pounds of milk. An amount of 2,250,000 pounds of cheese is equivalent to 28,125,000 pounds of milk or, to break it down again, is equal to the yearly production of 3,515 average dairy cows. We may then readily understand that the importation of this cheese means that hundreds of Canadian farmers will have decreased incomes.

I hope the Minister of Trade and Commerce and the Minister of Agriculture, who gave the previous shipment of New Zealand cheese his blessing and who should be near the people whom he represents so far as their problems are concerned, will give to the house and to the dairy farmers of Canada some definite statement as to the importation of cheese. I am sure that any future shipments can be suspended by embargoes or import quotas which the government has the authority to impose, as it did in the case of Japanese shirts and many other articles that were about to come into the country, or by higher tariffs which give adequate protection to many of our other industries.

Why let one of our major industries suffer while others benefit? If there are any future importations of New Zealand cheese while we have such large surpluses of this product as we have at the present time—and cheese is the most logical way of disposing of our surplus milk—I hope the menu of the two hon. ministers will consist of nothing more than limburger cheese, and I am sure that all the cheese producers join with me in this wish.

GRAIN

REGULATIONS RESPECTING FREIGHT ASSISTANCE ON WESTERN GRAINS AND MILLFEEDS

Right Hon. J. G. Gardiner (Minister of Agriculture): If I may have the privilege of reverting to motions, I should like to make a statement.

Mr. Deputy Speaker: Has the minister leave to revert to motions at this time?

Some hon. Members: Agreed.

Mr. Gardiner: Mr. Speaker, the tabling of the estimates earlier today makes it necessary for me to make an announcement in connection with the freight rates on grain. The regulations affecting freight rates on grain have been changed somewhat and the changes come into effect on Tuesday next, the 1st of February. With unanimous consent I would ask that the regulations be printed in *Hansard*. If necessary I shall read them but it will take a little time.

Mr. Deputy Speaker: Is it agreeable to hon. members that these regulations be printed in *Hansard* as requested?

Some hon. Members: Agreed.

Mr. Knowles: As an appendix?

Mr. Gardiner: Either at this point in *Hansard* or as an appendix.

(*For text of regulations, see appendix, page 667.*)

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Rowe, and the amendment to the amendment of Mr. Coldwell.

(Translation):

Mr. Guy Rouleau (Dollard): Mr. Speaker, I would like to begin by congratulating the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne. It is also a pleasure to congratulate the new members and the new ministers. I offer them my best wishes.

(Text):

I should like to take a few moments, Mr. Speaker, to outline some of the needs of the riding which I have the honour to represent in this house, and to inform the house of the feelings and opinions of the majority of my constituents in regard to certain questions relating to our national policy. Indeed, I deem it the duty of a member of parliament to devote himself, first of all, to the general interest of his country in accordance with the principles advocated by the political party under whose banner he was elected in his constituency, to inform the house when possible of the opinions of the majority of his constituents on the various topics of current interest, and to acquaint the government with certain legitimate needs in his constituency.

The riding of Dollard may be subdivided into two sections. Ville St. Laurent, located northwest of the city of Montreal, and the northeastern part of Montreal, which extends from Guizot and Fleury streets to the limits of Ville St. Michel. In the last few years a tremendous development has taken place in these two sections of Dollard. The population has doubled, many new parishes have been organized, and hundreds of new industries large and small have established themselves there. In the circumstances it is readily understood that the needs of the population have increased. I could describe the riding of Dollard in detail and speak of its greatness and beauty, but I need not do so. All I have to say is that to me it is a good place, a beautiful and progressive district. In short, it is a great place to live because it is part of Canada, and it is the part of Canada that I have the honour to represent in this house.

I said, Mr. Speaker, that I was going to stress some of the needs of my riding. There is one need resulting from the railroad track which crosses the constituency from end to end. The constituency of Dollard is crossed by several railways. These tracks provide a great service to the population and to industry, not only of the riding of Dollard but the island of Montreal as a whole. On the other hand they greatly inconvenience the residents of my riding. In the section of Montreal which is included in Dollard riding the railway track is elevated, thus dividing it into two parts in so far as road traffic is concerned. In order to facilitate north-south traffic it has been necessary to build subways under these railway tracks to allow the traffic to flow through the main arteries of Montreal.

Most of the important arteries are open to traffic, but with the rapid development which has taken place it is urgent that others be opened, and more particularly De Lorimier street. Before long this street will be one of Montreal's most important thoroughfares, crossing the island from north to south. There is already a temporary subway at that point, but it is too narrow and dangerous. It should be enlarged immediately and finished permanently.

Another problem raised by these elevated tracks is the smoke-belching steam locomotives passing thereon. The section of the city which this elevated track crosses is strictly a residential district, occupied by families who have built beautiful homes. When this railway was built a few years ago the residents understood that nothing but diesel or electric locomotives would be used. To that end the Canadian National had the necessary trolley wires installed when the line was constructed. However, the Canadian National, despite repeated representations by the citizens of Montreal North, and by members of this house who preceded me, persists all too often in routing steam locomotives over this track. These locomotives belch smoke and soot, making the whole district dirty and being harmful to the health of the citizens.

Irrespective of any promises which the Canadian National may have made, I strongly protest against what in my opinion constitutes an abuse, because the smoke coming from these locomotives not only prevents the residents from keeping their properties

as clean as they would like but is also injurious to the children's health. In the name of my fellow citizens of Dollard I urgently request the Minister of Transport (Mr. Marler), the board of transport commissioners and the Canadian National to take the necessary steps to put an end to this practice. As the member for Dollard I shall not rest until justice has been done the families who live along these tracks.

In Ville St. Laurent the railway tracks are at ground level, which causes great inconvenience and constant danger to the population because of the numerous level crossings. I was pleased to note that according to the speech from the throne the government proposes to amend the Railway Act in connection with the elimination of level crossings, in order to implement the report of the board of transport commissioners in that respect. I am hopeful that in the course of the next few months it may be possible to eliminate several crossings in Ville St. Laurent, and also to provide protection in other cases.

During the course of last session the Ville St. Laurent council sent a delegation to Ottawa to present to the then minister of transport, Hon. Lionel Chevrier, a memorandum listing all the reasons in favour of building a subway on Decarie boulevard. This thoroughfare is the one most often used by Montrealers bound for the Laurentians. Because of increased railway traffic at this point not only has the ordinary traffic been slowed down, but a situation has developed which constitutes a very real danger in emergencies. In case of fire, for instance, the firemen would be delayed in getting to their destination. In case of accident the same considerations would apply to ambulances having to go over level crossings.

In the past these conditions have been the cause of catastrophies, to avoid a repetition of which it is urgent that action be taken on the just request of the Ville St. Laurent council. When the representatives of Ville St. Laurent met the minister of transport they were most graciously received and assured by the minister that he would do everything to grant their request. I take the liberty of submitting this question anew to the present Minister of Transport (Mr. Marler) who, I am sure, understands the problem perfectly and will do everything in his power to remedy the situation as soon as possible.

I would point out to the Minister of Transport also that adequate protection is urgently needed on Cote Vertu, O'Brien boulevard and Persillier boulevard. During the last few months we have been grieved by several fatal accidents at those level crossings.

[Mr. Rouleau.]

(Translation):

We have not looked upon these accidents with equanimity, Mr. Speaker. We took the matter up with the Minister of Transport (Mr. Marler) who understands the problem. And we went to the board of transport commissioners, at the request of the municipal council of Ville St. Laurent, which is quite ready to help solve the problem.

The Minister of Transport understands the situation and the board of transport commissioners is ready to correct this anomaly as soon as possible.

I can appreciate the request made by the municipal council of Ville St. Laurent and bodies of its citizens, as well as the publicity given to this question by the newspapers of my constituency, such as the Saint-Laurent *News*. There is no one that does not wish to prevent a recurrence of the tragedies that have occurred within the last few months. Again, yesterday evening, a man was killed at the level crossing at Cote Vertu.

I offer my most sincere sympathy to the family of Mr. Adrien Lamarre, aged 36. I express the wholehearted wish that this situation may be corrected as quickly as possible. As far as I am concerned, I will take all steps necessary to prevent a recurrence of these tragedies. A human life is worth more than the money necessary for its protection.

(Text):

During the summer months the Postmaster General (Mr. Cote) honoured us by being present at the inauguration in the eastern part of Montreal of a new postal station at Youville, the construction of which had become necessary because of the rapid development in the area mentioned earlier. This is a very modern building which will be most useful to the population and for which I extend my most sincere thanks to the minister, to the officers of his department and to the Department of Public Works.

There is need for the same kind of building in Ville St. Laurent. The postal substation here was built at the turn of the century, when Ville St. Laurent was nothing but a village of a few thousand people. In 1947 there were 10,000 people in Ville St. Laurent, while today there are 40,000. Several hundred new industries have moved there.

Trade is keeping pace with industry and as a consequence the present substation is inadequate. Notwithstanding all their efforts the post office officials are unable under existing conditions to give the population and the industries satisfactory service. It is not only necessary, it is most urgent that a new postal station be built if the population are to be provided with the postal services to which they are entitled.

The Postmaster General and the officials of his department know the situation. At this time I should like to thank the minister, who was kind enough last summer to come with some of his officials to see what the situation was at this station. I am aware that the Postmaster General, along with his officials and the Minister of Public Works (Mr. Winters), is trying at the present time to work out a solution for the problem. On behalf of the citizens of Ville St. Laurent I wish to thank him.

Ville St. Laurent is privileged to have within its borders an airport of which it is proud. However, this airport which is located entirely within the limits of Ville St. Laurent is called Cartierville airport. The authorities of Ville St. Laurent have asked me, and I am in complete agreement with them, to submit to the Minister of Transport and to the board of transport commissioners that it would be logical for this airport to be known as St. Laurent airport. I take pleasure in submitting this request to the Minister of Transport, and I hope he will see his way clear to make the appropriate change. In addition to meeting the request of the authorities of Ville St. Laurent, I submit that it would honour the great Canadian who is the Prime Minister of Canada.

Such are some of the needs of Dollard riding. I hope the government will give them the consideration they deserve.

During the parliamentary recess I had the good fortune of meeting many of my constituents, and I would like to pass on to the house some of the opinions expressed to me and which seem to represent the wishes of the majority on a few questions of current interest.

My fellow citizens were gratified at the government's decision to locate the national film board in Dollard riding, and are pleased to see that a building is going up which will soon house its services. On their behalf I wish to thank the government and especially the Minister of Public Works, who is responsible for its construction.

It is also a matter of satisfaction to us that work on the St. Lawrence seaway has begun, convinced as we are that once the waterway is completed the whole country will benefit by it. However, I would support the authorities of the city of Montreal in their request to the government and to the St. Lawrence seaway authority to take the necessary steps to see that the interests of the city of Montreal, the metropolis of Canada, are protected.

As Canadians we are rightly proud of our metropolis, and it is our duty to ensure that the construction of the seaway will not hinder the development of Montreal, or cause it to lose its place as the metropolis of Canada. Many of my fellow citizens are concerned about this question; this is why I take the liberty of drawing the attention of this house and of the government to this matter, expressing the wish that in the development of the St. Lawrence seaway the interests of our metropolis will be considered as well as those of the whole of Canada. We shall be very happy if this new achievement, while being of great benefit to Canada at large, gives commercial impetus to the city of Montreal.

During the parliamentary recess I was often asked another question with regard to restrictions imposed by the board of governors of the Canadian Broadcasting Corporation on privately-owned radio and television stations. Most of my fellow citizens whom I have met, not only in Dollard riding but also in Montreal and elsewhere in Canada, are opposed to the fact that this organization which competes directly with private enterprise should be at the same time the organization that controls and grants permits to private stations.

We know that the Canadian Broadcasting Corporation through its radio and television networks renders a great service to our country, but we would prefer that it be treated on an equal footing, or nearly so, with stations belonging to private enterprise. Such a practice would be more consistent with the democratic principles of Liberalism, and furthermore it would comply with the resolutions passed by the advisory council of the national Liberal federation at its meeting held in Ottawa on the 27th and 28th of October, 1952, and also by the federation of young Liberals of Canada during their biannual convention held in May, 1954.

Before resuming my seat I wish on behalf of my fellow citizens of Dollard to thank the Prime Minister of Canada for everything he has done and continues to do to prevent an important group of our fellow citizens from being taxed more heavily than others. We are grateful to the Prime Minister for giving his attention to the problem of double taxation which exists in the province of Quebec, and I take this opportunity to protest vigorously against the astounding statement made on January 12 last by an hon. member of this house to the effect that the Prime Minister of Canada had lowered himself in going to meet the premier of my province in an effort to find a way of settling the fiscal problems between Quebec and Ottawa.

Judging from his speech I am strongly under the impression that my hon. friend has some difficulty in understanding the facts and conditions that exist in his own country. This is why, lest he should misinterpret my words as he has misinterpreted the happenings in his own country and especially in the province of Quebec, I shall direct my remarks particularly to him and I shall speak in my mother tongue. He will have the opportunity, if he so wishes, to read them in the official translation of the debates of the house.

(Translation):

I will say to the hon. member for Burnaby-Coquitlam (Mr. Regier) that, as a Canadian citizen and as a Liberal, I did not feel humiliated in seeing the Prime Minister of Canada (Mr. St. Laurent) go to Montreal to meet the premier of one of the oldest provinces of my country, in order to find in a friendly atmosphere a solution to the problem existing between Quebec and Ottawa.

The Prime Minister of my country thus showed once more that he can raise himself above party politics when the welfare of the Canadian people is at stake.

With all the inhabitants of the province of Quebec, I read with a sigh of relief the report released by these two heads of governments following their meeting in Montreal, which allowed us to expect that the dispute which had lasted too long would be settled. By his unfortunate speech, the hon. member for Burnaby-Coquitlam obviously showed that he lacks the broadmindedness required to fill a responsible position.

After a brief journey through the various provinces of our country, he found nothing better to do than to attack each one of the provinces which form the Canadian confederation, including the province where he lives. As far as I am concerned, I had the advantage to travel from coast to coast on three different occasions and, since he mentioned in his speech that he spent more days in the province of Quebec than six French-speaking members have spent so far in his own province, I would say to him that I had the pleasure of spending many weeks in the magnificent province of British Columbia and in the marvellous city of Vancouver. In every province of my country, I always found a cordial welcome and on my return to Montreal, I was always pleased and charmed with my fellow citizens and dazzled by the beauty and wealth of my country.

The hon. member could do no better than to find fault with each one of the provinces of confederation and it was with a violence full of hatred that he attacked the province of my birth. To dare predict that my province would be the first to turn communist, he must understand very little the feelings of its inhabitants or he must have met the rare exceptions who share his ideas. When he made his accusation, it struck me as so absurd that for a moment I wondered what was the reason for his attack and what he meant to achieve.

If there is in the Canadian confederation a province that is against communism it is indeed the province of Quebec; I am convinced that in this respect it shares the common feeling of the vast majority of the Canadian people. In describing his trip, the member for Burnaby-Coquitlam reminded me somewhat of certain characters created by Voltaire: disillusioned, cynical characters who could see nothing but afflictions, vices, faults and ugliness. I do not wish to devote any more time to a speech so harmful to Canadian unity, towards which all Canadians of good will have strived and especially the right hon. Prime Minister. If the member for Burnaby-Coquitlam thinks he can win votes by saying that the province of Quebec will be the first province to turn communist, he is greatly mistaken, because, to my mind, it is precisely the fear Canadians have of communism that prevents the C.C.F. party from obtaining the success it anticipates in Canadian politics when an appeal is made to the country.

I have respect for the leader of the C.C.F. party (Mr. Coldwell), but I am deeply worried over the opinions expressed by certain members of his party, especially after having heard their speeches. In conclusion I wish only to quote an extract from an article published in the *Labour Review*, volume 2, No. 3, page 43, under the heading: "Comrades in the C.C.F.", by Herbert Anderson. It proves that our fears are justified in regard to the communist tendencies of certain members of the C.C.F. party. I quote:

> Those west-coast CCF people pretty well tipped their hand when they held their annual meeting in Vancouver. To put it bluntly, far too many of them showed up to be communist. A recorded account of their meetings, plus what got into the papers, indicated that between a third and a half of the British Columbia crowd are communist-minded.

The C.C.F. party has not yet disclaimed that article; therefore, I beg Providence to preserve us from the calamity that the C.C.F. party in power would visit upon us.

(*Text*):

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I expect to have some critical remarks to offer as I proceed. Before proceeding with them I should like to express my appreciation to the government for having announced that the war veterans allowances will be increased during the present session. I am sure I speak for veterans in all parts of Canada when I say this legislation is very much appreciated.

I should also like to thank the Minister of Public Works (Mr. Winters) for the very good news he gave my constituency this afternoon. I mentioned last year that although Mackenzie is a very old constituency it is unable to boast of a single federal public building, and all in one year the minister is proposing to erect three public buildings. In view of the fact that this is our jubilee year in Saskatchewan the people in three communities, Carrot River, Kelvington and Porcupine Plain, will appreciate this very much. Of course the three combined will not cost as much as the national film board buildings which are being erected in the constituency of the hon. member who has just resumed his seat. Those three buildings will cost less than $100,000; nevertheless they will be appreciated.

At this time I am sure I speak for all my colleagues in Saskatchewan when I extend an invitation to all members from all provinces of Canada to visit our province during the recess. Saskatchewan is not the richest province in Canada, but as far as hospitality is concerned we will put out the red carpet for members who can manage to visit us any time during our jubilee year.

The brief which was placed in the hands of members of parliament by the interprovincial farm union council points up a problem which is very real in all parts of Canada. They deal with the crisis which is confronting agriculture. I listened with close interest to the hon. member for Leeds (Mr. Stanton), who spoke before the dinner recess and said that members of our group have not discussed the problem which confronts the cheese producers in Ontario. It certainly is not because we are not in sympathy with them, but we have not this industry developed to a very large extent in our constituencies. The problems of the cheese producers are the same problems that the wheat producers and the livestock producers in all provinces of Canada are experiencing.

This brief points out that Canadian agriculture as a whole during the last three years has suffered a most serious setback because of declines in farm product prices, while farmers' costs remained at high levels. They point out that the net farm income in 1951 ran about $2,188 million. Next year it was down to $1,949 million and the following year to $1,667 million. The estimate for 1954 is $1,200 million, a drop of nearly $1 billion during those three years. They admit that there are places in Canada where agriculture is in quite a healthy position, and there are individual farmers here, there and everywhere who are in a comfortable position; but the whole brief supports the case—and it is well established—that agriculture is facing a major crisis.

In one of his latest bulletins the Minister of Trade and Commerce points out that the farm income is down about 12 per cent for 1954 from the previous year and down about 15 per cent from the all-time high in 1952. The bulletin mentions that the decline in farm income can be attributed in large part to the substantial reduction in returns from the sale of wheat. It is true that the returns from the sale of wheat do bring down the over-all average, but I submit that those of us who live in portions of Canada where our income is from wheat find that this drastic reduction is having most serious consequences.

According to this release, in the province of Saskatchewan the cash income from the sale of farm products in 1953 amounted to $743,352,000 and last year to $465,612,000, a reduction of almost 35 per cent. I need not explain that this is having a most serious effect, and not only in that area where wheat is produced.

The hon. member for Leeds (Mr. Stanton) mentioned the calamity which has befallen the people of Smiths Falls, which is a few miles from here, involving a very old industry. He said the Frost and Wood Company had been compelled to close its doors and turn a large number of people into the ranks of the unemployed. That is a direct result of the fact that the farmers' income has been reduced so drastically, particularly in western Canada.

The Canadian Federation of Agriculture also analyses what is happening to the farmers' share of the national income in a release dated April, 1954. This gives the share of the national income which went to the farmers in 1926, 1946, 1951, and 1953. In 1926 the farmers' share of the national income was 14·8 per cent; 20 years later it went down to 11·3 per cent; in 1951 it was 12·3 per cent and in 1953, the last year for which the federation have figures available, it was 8·7 per cent. They point out that 13 per cent of the Canadian people are involved in agricultural operations.

One might expect that 13 per cent of the people would receive 13 per cent of the national income. We often pay tribute to the

farmers as being the salt of the earth, and we recall people in this and other countries getting their start on a farm. If we really mean what we say about the importance of agriculture I think we will readily admit that 8·7 per cent of the national income going to 13 per cent of the people represents a very critical situation indeed.

I received a copy of the report of the royal commission on dominion-provincial relations from the queen's printer the other day. This is a reprint of the material that was prepared by the Rowell-Sirois commission just prior to the outbreak of world war II, and on page 150 of the first volume they present a table showing what happened during the period 1928 to 1933, when conditions such as we are witnessing now developed much more rapidly and all Canada felt the impact. In Saskatchewan the average per capita income fell from $474 to $135, a drop of 72 per cent; in Alberta there was a drop of 61 per cent; in Manitoba 49 per cent, and in Canada as a whole 48 per cent. Other provinces felt the impact as follows: British Columbia, 47 per cent; Prince Edward Island, 45 per cent; Ontario, 44 per cent; Quebec, 44 per cent; New Brunswick, 39 per cent, and Nova Scotia, 36 per cent. The wheat-producing areas were the first to feel the impact and, of course, they felt the consequences much more severely than any other province.

On page 100 of this report there is a very interesting paragraph, and perhaps I should add that this was not written by the present government. It was prepared by the government of which the Minister of Agriculture (Mr. Gardiner) was a cabinet minister some years ago. It states:

> The people of Saskatchewan have suffered a reduction in income during the last decade which has probably been unparalleled in peacetime in any other civilized country. Net agricultural income averaging some $200 million a year in the late twenties fell to an actual negative amount in 1931 and 1932, and was only about one-tenth of that average in 1937. Total provincial income (after including federal relief payments in the province) fell in the thirties by more than half, and in the worst years by two-thirds of the 1926-29 annual dollar average.

I am not suggesting that conditions out there are as they were during the thirties, but I am suggesting the drastic reduction in the income of the wheat farmers is having a serious effect on all sectors of our economy, and it is going to require action by the national government to stop this trend and see to it that the agricultural producers in the prairie provinces and in all parts of Canada get their fair share of the national income.

The situation in my own corner of Saskatchewan is more critical than anywhere else in the province, for a variety of factors. We were in the fortunate position of never having had a crop failure during the years of drought when other sections of the west went through year after year without seeing rain. But the last three years have been unparalleled in our history in that we have had so much rain each year that a great many farmers have not had any crop at all as a result of floods and excessive moisture.

I have received reports from ten municipalities in my own constituency; the Minister of Agriculture will be familiar with them. They are Bjorkdale, Buchanan, St. Philips, Sasman, Porcupine, Kelvington, Invermay, Hazel Dell, Livingston, and the L.I.D. office at Hudson Bay. These ten municipalities report to me that at the end of December a year ago they had arrears of taxes totalling $591,096, and at the end of December this year the arrears of taxes were $895,421.

Hon. members will agree, I am sure, that all Canadians wish to pay their taxes first of all, and they are conscious of the vital importance to them of sound municipal government. They are interested in keeping their schools running, in maintaining roads and bridges and other essential services, and therefore an increase in the arrears of taxes in a very productive area in Saskatchewan, to the amount I have mentioned, indicates that the farmers living in that area certainly have not been able to build up bank accounts during prosperous years.

I think the paragraph I read from this publication indicates that there were very good reasons why the farmers in the wheat-producing areas of Canada were unable to build up reserves during the thirties and during the war years when farm commodities were pegged at low prices. The farmers thus were not able to get in as favourable a financial position as many other people in this country.

I also have returns from four of the larger school units in my constituency. These are Tisdale, Canora, Kamsack and Nipawin, which report that they have $789,770 owing to them from municipalities in their area in arrears of taxes, and they in turn owe the banks $429,000 in overdrafts and loans, or an average of over $100,000 per unit at the end of December 1954.

The two sets of figures which I have presented to the house suggest that conditions in that area are certainly very serious. I do not think there is any easy solution for it, but I think we should recognize that the 15 million people in Canada somehow or

other should be able to organize our economy so that those who produce food for our own nation and for our other customers would be able to get a fair share of the national income so they could have some reserves to put away for bad years, so their arrears of taxes would not pile up as these figures would indicate, and so they would be able to pay their school teachers and give their children all the advantages that are available in other parts of the country. I am not suggesting that there is any easy solution, but I think we can solve it.

During the summer when I was in Europe I took time to visit some of the countries that are facing problems like ours. In Great Britain, at a meeting at the Labour party conference, I was interested to find that one of the best economists there drew their attention to the fact that in Great Britain the farmers are not getting their fair share of the national income, and that if and when labour should form a government again, one of the tasks they must undertake immediately is to see that the farmer in the United Kingdom gets a fairer share of the national income. They said that is not going to be very popular with a large number of trade unions who do not want food prices to increase but, they said, "We want to be fair and we want to make sure that those who are producing food for us get a fair share of the pounds, shillings and pence which are available in Great Britain".

They are embarking on a policy that could easily have fairly serious effects on our economy. They are providing a substantial wheat subsidy. If my figures are correct, something like 65 cents a bushel is being provided as a subsidy to their wheat producers. I pointed out that Canada produces and exports the best wheat in the world. They did not deny that. However, there is a real danger of war and they must give some consideration to what would happen if war broke out and they were entirely dependent on overseas countries, for their foodstuffs, particularly their cereals. Even though it is costing their treasury a good deal of money to increase their production of wheat, they consider that it is in the best interests of the country to provide these subsidies. Something like $6,500,000 is being paid to the 21,000 growers as a result of the policy they are carrying out to encourage the production of their own cereals.

In Sweden I find that once a year the government meets with the representatives of the farmers. They review the general economy of the country and decide on what sort of a deal should be established for the next year for agriculture so the wheat producer, the butter producer and the hog producer will all have, for one year, prices which bear a fair relation to the wages and salaries that other people get. The Swedish farmer, when I was there, was being paid $2.28 a bushel for his wheat. This price was some 15 to 20 per cent higher than they would have been paying if they had bought Canadian wheat, but they consider that it is good policy for Sweden to have a healthy, flourishing agricultural industry. The farmers pay something like 75 cents per 230 pounds into a fund to make up for the losses that are involved in connection with the export business. If I remember correctly, they consume about 500,000 tons of wheat in Sweden, but as a result of the policy they have been following since 1947 they have built up quite a substantial surplus. Nearly as much wheat seemed to be on hand as they consume in one year. But the government has been paying $75 million into the fund to support agricultural prices. Sweden has about half the population we have in Canada. Similar support would cost about $150 million in Canada.

In France the price paid to the farmer, as I recall it, was $2.57. I wish we could get international agreement at some time so the metric system could be used all over the world. It is extremely difficult, as you travel about, to figure out the relationship between kilometers and miles and between ounces and grams. The price paid to the French farmer for his wheat was something like $2.57, which seemed to be a reduction of about 15 cents from the price which was paid the previous year. Part of this reduction was as a result of increased productivity in the country. Part of it was as a result of the reduction in prices in France.

There too they take into account the prices the farmer has to pay for his machinery and his fuel oil, and all the other costs he must meet. The prices are reviewed from time to time and they go up or down, depending on a number of these factors. They also are building up quite a large surplus and are reducing the price with a view to discouraging the building up of such a large surplus.

They also have a policy there—I am not sure that it is too sound—of paying a higher price to smaller operators. Those who deliver quintals—I have forgotten what the relationship is between quintals and bushels—are paid according to the number they deliver. If they deliver between 1 to 25 quintals, the net price to the farmer is 3,570 francs. One who is selling from 100 to 200 gets a price of 3,440 francs. If you are selling over 1,000, your price is down to 3,315 francs. This policy has been worked out, no doubt, to encourage the smaller farmers in France to

keep up their production. The assumption is that the larger operators are able to cut down their operating costs.

In West Germany there was an agricultural policy that was extremely favourable to the farmers. The wheat farmer had a price of about $2.63 to $2.73 a bushel. The prices for barley were much higher than those in Canada. Barley prices were from $1.76 to $2.20, and $1 to $1.26 for oats. In Germany they have another policy—one that we have been trying to persuade the Minister of Trade and Commerce and the Minister of Agriculture to adopt—to encourage farm storage. For wheat there is a payment of about 12·6 cents per bushel extra to the farmer on condition that he keeps his grain on his farm rather than filling up the elevator space, and about 11·7 cents for rye.

I do not wish to suggest, Mr. Speaker, that I should like to live in any of these countries I have mentioned, or that I should like to farm in them. I have said repeatedly that while I was away I did not see any country that I liked as well as Canada and that farming, as I saw it in these European countries, does not appear to me to be as attractive as does farming in Saskatchewan, even with the low prices we are getting and the other problems that we want to solve at some time. But I think it is significant that in these countries I have mentioned they are devoting a great deal of thought and effort to increasing the production of foodstuffs as part of an over-all national policy.

I am aware of the problem we might have on our hands here if the Minister of Agriculture and the Minister of Trade and Commerce guaranteed prices, such as we did in the past. Canada has a tremendous capacity to produce agricultural products. In this world in which we live, with all its tensions, I think we should recognize that producing food is one activity that should be encouraged and that Canada should go all out first of all to see that every Canadian citizen is able to obtain maximum quantities of food.

I received a letter today from the old age pensioners in British Columbia containing a table showing the increase in the cost of foods over a period of years, and they suggest that the pension should be increased. I cannot think of any good reason why, with this large surplus of butter, every old age pensioner in Canada should not have the benefit of the suggestion made by the hon. member for Winnipeg North Centre. In the United States they worked out a stamp plan some years ago when they had these problems. Everybody in a certain category got stamps entitling them to butter, fruits and a wide variety of surplus products they had at that time in the United States.

[Mr. Nicholson.]

Last year I put some figures on the record showing how our milk consumption had gone down over a period of years. How was it that during the war, with more than a million of our young people in the services and another large group in war industries, we increased our consumption of milk to an all-time high, to over one pint per person per day? During the thirties it was ·80 pint per person per day; then it rose to 1·02, and it has been going down ever since. In 1953 we were down to ·88 pint per person per day.

During the war the minister of finance emphasized again and again that whatever is physically possible must be made financially possible. I submit that the Minister of Trade and Commerce and the Minister of Agriculture, together with their colleagues in the cabinet, can work out ways and means if they want to so that we can increase tremendously our consumption of foodstuffs in Canada in order that no section of our people will ever be short of butter, eggs, meat, potatoes, fruits and all the foods that are available in Canada.

There is another important plan that I should like to suggest. I think the cabinet should give consideration to the suggestions made at the time of the Rowell-Sirois commission investigation regarding the importance of the federal government sharing with the provinces the costs of many of our essential services. I refer to services such as health, education and roads, which are very costly now but very necessary. I am indebted to the Canadian Bank of Commerce for the information they provided in their commercial letter of March, 1953. They give the total amounts that Canadians pay in taxes to federal, provincial and municipal governments. To the federal government they were paying $3,732,000,000, to provincial governments $756,000,000, and to municipalities $547,000,000.

It is not easy for us to remember billions and millions. Let us break these figures down into units that we can remember. If we take each dollar the Canadian citizen pays in taxes, he gives 74 cents to the Minister of National Revenue (Mr. McCann), 15 cents to the province in which he lives, and 11 cents to his municipality. With the very high cost of conducting government I think it is obvious that the municipality cannot possibly fulfil its responsibilities to the people on the 11 cents out of the taxpayer's dollar that is available to the municipality. Likewise the provinces cannot discharge their responsibilities on the 15 cents that they have available. I realize that the federal government has a great many demands, but

I have never known a federal government that has gone bankrupt or has been unable to carry out a desirable program.

There is not a member in the house who will not agree with me when I say that if war should break out again Canada would immediately embark on such a program that the records we established between 1939 and 1945 would be surpassed. There is no doubt about that at all. We have the resources, and we have the men and women who would be willing to respond. Therefore I submit that it is the responsibility of the federal government now, with a very large unemployment problem, with a very serious condition confronting the farmers of Canada from Newfoundland to British Columbia, to come to the assistance of the provinces and the municipalities by giving first of all real assistance in the fields of education, health and transportation.

In one of the British *Hansards* I saw some time ago that it now costs £25,000 to train a pilot for the air force. Taking the pound at $2.80 that works out to around $70,000 in Canadian funds. I presume that is approximately what it would cost. If a young chap is to qualify for aircrew he must have grade 12 or grade 13 education. I submit that it is not fair to ask the municipality and the province to provide that very necessary education for 12 to 15 years, and then for the state in a very short time to spend $70,000 on what is also necessary education.

In the field of health we find that assistance is needed by the provinces. In Saskatchewan a medical college is being opened very shortly. I am told that the taxpayers of that province are going to be taxed at least $10,000 for every student who graduates. We are not complaining, but I imagine that for some time the situation will continue that doctors can make larger incomes more easily in Ontario and Quebec, and probably in other provinces, and certainly we cannot keep these graduates in Saskatchewan when the life and the returns in other provinces are so much more attractive. I submit that the federal treasury should be carrying a very large share of the cost of health services.

In the field of transportation I think the maintenance of good roads is more than the municipalities and provinces can stand. In the state of Montana, just south of where I live, I find that in 1952 the United States government spent $6,045,000 on federal roads. In a General Motors showroom in my constituency I saw some time ago a breakdown of where your money goes when you buy a Pontiac car. On the cheapest Pontiac model you pay $405 in sales and excise taxes to the federal government. When one considers the large number of cars that have been manufactured in Canada and the revenue the federal treasury has derived in sales and excise taxes, I think it is not unreasonable that the federal government should share the cost of building not one trans-Canada highway but a network of highways across the country.

Finally, I hope the federal government will do two things. I hope it will meet the very reasonable request of the interprovincial farm union council for the establishment of parity or fair prices for all agricultural products in Canada, so that farmers in all parts of the country can have a fair share of the wealth produced by all the citizens of the country. In the second place, I hope that this session the government will make adequate provision for generous assistance to the provinces in the fields of education, health and roads.

Mr. Hector Dupuis (St. Mary): My first remarks, Mr. Speaker, will be to offer my congratulations to the mover (Mr. Leduc) and seconder (Mr. Carrick) of the address in reply to the speech from the throne. I would say that both discharged their task in a manner that promises well for their future as members of this house.

I believe that the speech from the throne justifies us in feeling that this session will be a very fruitful one. I particularly underline certain measures which will help to alleviate the burden now on the shoulders of a large number of Canadians who are totally or partly dependent upon public assistance in solving their personal and family problems. Every member of this house learned with great satisfaction of the decision taken by the government to amend the Unemployment Insurance Act to provide an increase in the duration and scale of supplementary benefits, as well as other amendments intended to make unemployment insurance of greater benefit to the unemployed.

The National Housing Act of 1954, adopted during the last session, will be broadened to enable landlords to obtain loans for home improvements. I hope this will pave the way for a full rural loan measure, similar to that existing in some provinces, for farm owners. At this point I should like to congratulate the hon. member for Spadina (Mr. Croll) upon his timely suggestion that the national housing scheme be amended to give home owners the same protection as that given to the lending institutions. This would be provided by means of equity insurance, at a premium the prospective owner could pay, to protect him against the loss of his initial investment.

After a splendid exposition of the many reasons militating in favour of his suggestion, and the procedure which could be followed

if it were carried out, our learned colleague went on to say at page 110 of *Hansard* for January 12:

> I believe it is the duty of the government, which is encouraging him to invest his all in a national housing home, to offer him a measure of protection. At the present time the government is protecting lending institutions by insuring the amount of the mortgage. With that I am in full accord and agreement. You can believe me that the lending institution, with its funds spread over thousands of investments, and secured in each case by property, is far less in need of protection than the national housing owner, who has all his eggs in one basket.
>
> At the present time, and quite properly, the government protects the national housing mortgagee, and it is my view that it should protect the national housing owner, at least to the extent of his initial down payment. Every owner is far more vulnerable than the lending institution. No matter what happens, the lending institution cannot lose. In the event of a foreclosure it will look first to the property, and then to the government for repayment. But the owner may very well be wiped out.

I sincerely hope the government will give consideration to this timely suggestion. This will be another opportunity to show that this party has always been concerned with seeing that the small owners get the security to which they are justly entitled.

The government is to be praised also for increasing the basic rate, as well as the ceiling on permissible income, of the recipients of war veterans allowances. These veterans already derive benefit from the generous War Veterans Allowance Act. Other changes will be proposed to the national defence and defence services acts. I welcome also the fact that consideration is being given to the request to lower the eligible age for blind pensions, and to raise the income ceilings for these unfortunate people. Fishermen ought to be equally happy to learn of the decision taken by this government which will enable them to obtain loans on a similar basis as that provided in the Farm Improvement Loans Act.

The government, having taken into account the regional and seasonal unemployment which now exists, and which we all deplore, is endeavouring to help this situation by accelerating public construction projects already approved and assuring financial provision for the construction programs of various departments and agencies on an enlarged scale. The proposed amendment to the Railway Act to provide for the elimination of level crossings must not be overlooked. This might help to eliminate tragic accidents and accelerate traffic at these points.

These good measures have been the objects of laudable comments not only by members on this side of the house but also by the Acting Leader of the Opposition (Mr. Rowe) and some of his followers, as well as other members sitting on the opposite side of the house. According to the Conservative party's spokesman, many of his followers have reason to be thankful to the government for the realization of projects or measures they had advocated in the past.

The Acting Leader of the Opposition said the hon. member for Royal (Mr. Brooks) would certainly have read the speech from the throne with a little chuckle to himself and would be glad that at last the government had heeded his pleas on behalf of the war veterans. He went on to say that the hon. member for Vancouver-Quadra (Mr. Green) also had reason for being happy because of the blasting, in the near future, of Ripple Rock, an improvement that hon. member has ardently advocated.

The hon. member for Queens (Mr. MacLean), still according to the Acting Leader of the Opposition, would also be justified in rejoicing when he heard that steady progress was being made toward the inauguration of the new ferry service between Prince Edward Island and the mainland of Nova Scotia, and that the project would be undertaken this year. Another observation by the acting leader was to the effect that the hon. member for Hamilton West (Mrs. Fairclough), who is very moderate in distributing compliments to the government, along with her colleague the hon. member for Ontario (Mr. Starr), should be delighted to note that supplementary benefits would be extended to the unemployed during the winter months.

Of course the acting leader intentionally failed to mention the efforts made by members on this side of the house in favour of the measures now lauded by the government antagonists. Nevertheless, we of this party are particularly proud to receive these testimonies, and to use the words of the Prime Minister (Mr. St. Laurent) I will say: "although it is somewhat of an exaggeration to suggest that anything of which we are supposed to be boasting as an achievement is due to pressure put upon us by suggestions from the other side of the house, nevertheless we will be happy to give serious consideration to any constructive suggestion, whatever its source. The genuine welfare of the country is, or should be, of more concern to all of us". These words illustrate the sense of duty of our leader. On all occasions he has manifested his firm determination to serve the best interests of our country in a non-partisan manner.

Now let us study the amendment moved by the Acting Leader of the Opposition and

seconded by the hon. member for Prince Albert (Mr. Diefenbaker). It reads as follows:

We regret that Your Excellency's advisers have failed to take or to recommend the necessary measures: (a) to retain and expand Canada's markets abroad for our production, particularly of wheat and other products; (b) to solve the urgent problem of unemployment; (c) to relieve Canadian taxpayers from the burden of excessive taxation and thereby enable Canadian producers to lower their cost of production and to meet increasing competition; (d) to eliminate waste and extravagance in government and improve its efficiency; (e) to facilitate and encourage the processing of our natural resources in Canada, and thereby increase opportunities and employment for Canadians; (f) in co-operation with the provinces to develop an effective contributory plan which will assure that every Canadian will have adequate hospital and medical services.

As to the first paragraph, I leave it to those who are better acquainted with the problems of international markets to supply the information, which in my opinion will show the efforts made by this government to retain the advantages deriving from our commercial relations with other countries, especially with the commonwealth nations. I thought representatives of the opposition would offer suggestions to improve our situation in this connection. If they have not found a better solution than this government has, they ought to be rather bashful about inserting such a paragraph in the amendment.

On the other hand, if members of the opposition have in mind ways of bettering present conditions, they should let us hear them. It is their duty to do so. They may have the intention of taking adequate steps to blast their way into the overseas or the United States or South American and other markets, as the Right Hon. R. B. Bennett said he would but was unable or did not have the ability to carry out. At all events let them tell us how they would tackle and solve this problem.

The Acting Leader of the Opposition must know a lot about blasting into the international markets, as he was a member of the government at that time. In the meantime I prefer to place my confidence in the Minister of Trade and Commerce, who is well aware of the situation and whose competence is a safeguard that no opportunity will be neglected in order to find the best possible solution to this problem, with all the unexpected changes to which it is subject.

The second paragraph of the amendment states that the government has failed to take necessary measures to solve the urgent problem of unemployment. All of us in this house deplore that unemployment exists at any time of the year, especially in the wintertime. As I have said previously, this government has taken the necessary steps to help those who are affected by unemployment by extending the period and increasing the rate of the allowances during the winter months, and also by making large appropriations for public works. I represent a constituency whose population is composed almost entirely of workingmen. Anything done to increase the possibilities of employment will receive my approval. I shall discuss this matter at greater length on another occasion.

Let me refer now to paragraph (c) of the amendment, in which the opposition blames the government for not relieving Canadian taxpayers from the burden of excessive taxation, thereby enabling Canadian producers to lower their cost of production and meet increasing competition. Like every other citizen I would like to see a reduction in the heavy taxes we are paying. The Minister of Finance (Mr. Harris) seems to be of the same opinion. He made a declaration recently, although he did not commit himself. Let us hope that we can expect a move in that direction. Like everyone else I am anxious to hear the next budget speech.

I am not blaming my hon. friends of the opposition for making such a popular suggestion, but I would like them to be a little more logical. On the one hand members of all the opposition parties demand the lowering of taxes and, on the other hand, they are asking constantly for higher expenditures in connection with welfare allowances and public works.

I favour the execution of public works on a large scale, especially in seasons when unemployment is high, but I think all will agree with me when I say that public works after all are disguised taxes because the money required is taken from revenue, from the money the government has to dispose of, which consists almost entirely of funds raised through direct taxation on the individual.

As far as increasing welfare allowances is concerned, I shall later analyse what has been done in this connection by the party which has received the support of the people for a longer period of time than any other party since confederation.

There is one timely suggestion in the amendment which in my opinion should be given further consideration by the government. I refer to the paragraph which reads:

To facilitate and encourage the processing of our natural resources in Canada.

I have on several occasions, in this house and elsewhere, expressed my opinion on this matter. A larger proportion of our national resources can be processed here. I know this

government has encouraged this policy, as have some of the provinces, but there is room for greater improvement in this regard.

Paragraph (f) of the amendment relates to the provision of adequate hospital and medical services. Everyone knows that such services are mainly the responsibility of the provinces. However, let us see what this government has done in the sphere of social assistance during the period from 1948 to 1953, leaving aside the achievements of other Liberal governments in this connection. During that period of time subventions or grants paid to the provinces by the federal government amounted to $167,407,831 for crippled children, professional training, hospital construction, venereal disease treatment, mental hygiene, tuberculosis and cancer control.

Mr. Dufresne: That is paid by the province.

Mr. Dupuis: That is not paid by the province. The province has to put up an amount and the federal government equals it.

Mr. Dufresne: The larger share is paid by the province.

Mr. Dupuis: If the hon. member cannot understand what I say perhaps I should express myself in French so I may be understood. What I mean to say is that the province puts up a sum and the federal government spends the same amount as the province advances. That is for the hon. member's information.

Mr. Dufresne: It is wrong information.

Mr. Dupuis: It is right information, and I defy my hon. friend to prove the contrary.

Mr. Dufresne: I certainly will.

Mr. Dupuis: I am at my hon. friend's disposal any time. I did not think I could teach anything to an hon. member who has been in this house so long.

Mr. Dufresne: The hon. member has been here too long and he does not know.

Mr. Dupuis: It is not the hon. member's job to decide whether I have been too long in this house. That is a matter for the electors to look after. I feel sure that I know enough that when I advance a point I am sure of it. Otherwise I would not mention it.

(Translation):

Mr. Dufresne: Would the hon. member permit me a question?

Mr. Dupuis: Certainly.

Mr. Dufresne: Was that his platform during the last electoral campaign, which brought him such excellent results?

Mr. Dupuis: What a proof of intelligence on the part of the hon. member! What stupendous genius! What relation can there be between the amount spent by the federal government for hospitals in the province of Quebec and the electoral mayoralty campaign I launched with no success, unfortunately? That remark of his confirms my opinion; I have seldom met such a genius!

(Text):

A total of $94 million was paid during the same period to provinces which had spent an equal amount under the terms of the agreement between the federal government and the provinces.

I might also mention other forms of subsidies or contributions made by the federal government to the provinces for such purposes as the training of health workers, the training of nurses, the training of nursing assistants, mental health, and the employment of health workers. To this we must also add the salaries paid to the persons trained or undergoing training under the national health program, such as physicians, dentists, nurses, sanitation personnel, technicians, statisticians, and many others specialized or specializing in various other fields of public health. The number of those on the payroll totalled 4,947 during the period 1948 to 1953.

We have learned with great satisfaction from the report issued by the department of health and welfare that the federal government will offer additional financial aid to the provinces to help create (a) better health care for the disabled; (b) better health care for mothers and children; (c) better facilities and services to help doctors diagnose their patients' illnesses. The amount to be voted for that purpose is $42,000,000 for the next five years. These figures can be obtained because they are published by the department. All this does not take into account other sums spent by the Department of National Health and Welfare for special studies and research in laboratories, in the food inspection division and in many other items.

This is proof that the federal government, contrary to what the opposition claims, has accomplished a great deal in assuring adequate medical services. I understand that the plan for national health insurance is still being considered, and that negotiations are under way between the federal and provincial authorities. I hope they will lead to a mutual understanding between the interested governments which will be to the advantage of the people, especially the working class who cannot afford to meet the prohibitive cost of hospitalization. Incidentally I will say that in Montreal last year $695,000 was given to the neurological institute. That shows that a lot has been done to provide adequate medical services.

Before concluding my remarks on this subject I wish to draw the attention of my colleagues to the fact that out of the $167 million which was allotted to them during the period 1948-53, the provinces have used only some $94 million. It is up to each province to make full use of the federal contributions to expand hospital accommodation and medical services. Much more can be accomplished in that direction; and referring to the province of Quebec only I will say that there is a very great need for more hospital space, especially for those afflicted with mental illnesses. What more do our friends opposite need to prove that adequate hospital and medical services are receiving the attention of this government?

Mr. Dufresne: Change sides and you will have the answer.

Mr. Dupuis: I do not have to change sides to be right. I am right on both sides. Must I deduce from the words of the member for Quebec West that he would be talking differently if he were on this side? Unless one is as blind as a bat he must recognize the splendid work accomplished by this government in the sphere of public health. I wish to seize the present opportunity to congratulate the Minister of National Health and Welfare, who at all times has proven his ardent desire to ensure the best health and welfare conditions for our citizens. He has accomplished a wonderful task for which the people of Canada are grateful; that is, excluding the opposition members.

Now let us see what else has been done in the last 20 years under different Liberal governments in the field of public welfare, leaving aside the unemployment insurance scheme which has been so profitable to the workers of this country. In 1927 old age pensions were paid at the rate of $20 a month to people 70 years of age and over. The rate was raised to $25 a month in 1943 and the means test scale broadened. The allowance was again raised to $30 a month in 1947, and to $40 in 1949. This was a Liberal measure enacted by a Liberal government. In 1952 the age at which a person was entitled to old age pension was reduced to 65, and old age security and old age assistance guaranteed to every citizen 70 years of age and over. In the first case the means test scale was maintained. Let us bear in mind that not only have the aged people been given assistance at an earlier age than that requested when this measure was first put into force, but the monthly allowances have been doubled since this party has been in power. That is not such a bad record.

It was in 1945 that the government, under a Liberal administration, instituted family allowances entirely at the cost of the federal government. I am sure nobody ever thought that $5 or $6 a month was enough to maintain a child. The intention of the sponsors of such a good social measure was to alleviate the burden entailed in bringing up a family. Some are asking to double this allowance. I certainly favour this suggestion, although it would mean an extra expenditure of $400 million. Incidentally, the number of families in receipt of this allowance at the present time is around two million, representing five million children. I hope when the situation created by the menace of war disappears, which necessitates the spending of huge sums to assure our national safety, more generous allowances in all spheres of social security or welfare will be provided by this government.

As I just said, the whole cost of family allowances is borne by the federal government. I realize that doubling them would be a great help to a large number of fathers and mothers. Even $10 a month will not be enough, mind you—and every member in this house knows that as well as I do—to look after the necessities of life and the education of a child. However, I would favour such an increase. I do not want to pass the buck to someone else, as we commonly say, but I sincerely submit that the different provinces should make it their duty to allocate to their residents a monthly allowance at the same rate as that granted by the federal government.

My friends of the Social Credit party in my province have launched a wide campaign in favour of the doubling of family allowances. I hope they succeed. However, I want to say this to the hon. members of the Social Credit group. Their friends hold power in two provinces. I suggest that the federal members belonging to that party take the necessary steps to have their friendly governments in British Columbia and Alberta make up the difference existing between the actual rate of family allowances and the increase suggested.

Mr. Johnston (Bow River): They do more than that, I want you to understand.

Mr. Dupuis: That sum of $5 or $6 or $8 that you want added to the present family allowances could be paid by your province, and if they did that we would be very glad of such a gesture.

Mr. Johnston (Bow River): I am sure they will, too.

Mr. Dupuis: Let those who organize delegations make the same request of the provincial authorities who have the same moral obligation as the federal government to contribute to the welfare of the families.

Mr. Dufresne: They have not the same amount of money, though.

Mr. Dupuis: I shall come to you in a second. I will show you what the budget of our own province is at the present time, and you will be surprised at the difference between the present budget and the one that existed in 1939.

Mr. Dufresne: It is a fine budget.

Mr. Dupuis: You can defend the provincial government as much as you wish, but you are going to let me speak. I am coming to you now.

Mr. Holowach: May I ask my hon. friend a question? After listening to a review of the accomplishments of the Liberal party I should like the hon. member to tell us whether the Liberal party has left anything undone.

Mr. Langlois (Gaspe): Not much.

Mr. Dupuis: They have had the interest of humanity at heart.

Mr. Dufresne: Absolutely perfect and complete.

Mr. Dupuis: My hon. friend for Quebec West (Mr. Dufresne), who like myself and others favours the increase, could use the strong influence he has with the government of the province of Quebec and ask that government to contribute in the same manner the federal government has for the past ten years, and allow another $5, $6, or $8, as the case may be, as a supplement to the allowance now received by the heads of families for their children. My hon. friend knows as I do that the annual budget of the province of Quebec is well over $360 million, compared with some $60 million in 1939. Perhaps by cutting out some possible extravagances, of a type similar to that which he reproaches this government with, and which may exist even in that province, it would be possible for the province to contribute to social welfare of this type.

Mr. Dufresne: Would the hon. member permit a question?

Mr. Dupuis: Does the hon. member wish to speak in my place? I am very short of time, Mr. Speaker, and I hope these interruptions will be taken into account.

(Translation):

Mr. Dufresne: I will use my influence so that you do not lose time. Would the hon. member be so kind as to say in what way the provinces could co-operate?

Mr. Dupuis: Mr. Speaker, I will not answer the question since the hon. member who is now addressing me is repeating exactly what I have said. I will only explain a little further; I will provide him with the necessary explanations. Let me speak.

Since I have no wish to be called unpatriotic by speaking English to one of my French-speaking colleagues, I will repeat, substantially, what I have just said. I suggest he accompany me to meet the authorities of our province. We will ask them to provide the children with family allowances at the same rate as the federal government, at a higher rate, even, if they feel like it. I am offering my services to the hon. member and do so in all seriousness.

Mr. Dufresne: That will not be easy.

Mr. Dupuis: I have no doubt that such a trip in the company of my colleague will be excellent, and I hope that, with a $360 million budget, the government of our province will have a few millions available to grant the request that my colleague and I approve, namely, the family allowance increase.

Mr. Dufresne: Will the hon. member permit me to lay down one condition?

Mr. Speaker: I am sorry to have to interrupt, but I feel that I have given enough latitude to hon. members since the beginning of the speech now being made. It is permissible to interrupt, to ask questions, but I think it is contrary to the decorum we want to maintain in this house to indulge in repeated obtrusions while the hon. member for St. Mary (Mr. Dupuis) is delivering his speech.

I should then ask hon. members to allow the representative of the St. Mary constituency to continue his speech without further interruptions.

(Text):

Mr. Dupuis: Others, Liberals, C.C.F., and independent members representing constituencies of different provinces, can certainly do the same in order that family allowances be doubled. I sincerely believe it is the duty of all provinces to contribute to the increase in family allowances in the way I have just suggested. They have a moral obligation similar to that of the federal government. We have seen this government's action with regard to old age pensioners, the blind, and other deserving sections of the community, and there is no reason why the provinces should not spare a few dollars or even a few million dollars to look after our children. I shall view their actions in this regard with some interest. I will then be able to observe the sincerity of those who are calling for increased assistance, particularly the Social Credit members who seem to look in only one direction for help, and that is to Ottawa.

I shall watch the actions of the Social Credit representatives in British Columbia, Alberta and the province of Quebec, together with their responsible governments, in order to see whether they will do as much for the people there as has been done for them by the federal government.

An hon. Member: When we get a new tax agreement we will do something.

Mr. Dupuis: You want additional allowances. The thing to do is to go ahead and get them from the provincial governments you support, if you can.

If the provinces are willing to assume their part of the responsibility the federal government, after reducing the cost of national defence in view of a calmer international situation, could easily use the sum of $400 million, representing the suggested increase in family allowances, in reducing the income tax and improving other measures in the field of social welfare. Relying on what this government and other Liberal administrations have done toward helping the heads of families, and also the attention it has given to the security and welfare of Canadian citizens, I feel I have some ground for hoping that serious consideration will be given to all suggestions the aim of which would be to help those who need financial aid.

I would like to look at some other welfare measures, Mr. Speaker, providing I have sufficient time to do so, and I would hope that in this regard you would take account of the interruptions I have had to endure. Let us take a glance at a few other security and welfare measures adopted by this government and those who have had the responsibility of administering our affairs for the past 20 years. Among these I should mention the allowances to the blind and handicapped. The speech from the throne indicates that these two measures will be modified in order to lower the age of eligibility for those who fall within that category, and also raise the income ceilings in the first case.

I must also underline the generous help landlords will eventually receive—and many have already done so—under the provisions of the National Housing Act. I also note that this government will introduce the necessary legislation to "provide facilities for loans to fishermen similar to those provided to farmers by the Farm Improvement Loans Act." All this, added to what I have already mentioned, is a record any government can be proud of. The policy of the Liberal party has proved itself at all times to be more efficient and constructive than that of the Tories. In the last few years they have found it wiser to change their policy with the sole object and hope of attracting public opinion in their favour.

I shall not vote for the amendment nor the subamendment because I have great confidence in the present government which directs the affairs of our country so efficiently. Although I realize there is ground for improvement in all spheres of our political economy, I do not hesitate to say that this government, and the preceding ones for the last 20 years, have efficiently solved the many problems that have arisen during their respective terms, or certainly as many of them as it was humanly possible to solve.

Mr. Speaker: Order. I think the hon. member will realize that at the speed he is now speaking—

Mr. Knowles: Reading.

Mr. Speaker: I avoid mentioning that expression—it might be quite difficult if not impossible for the reporter, no matter how efficient he may be, to take all the words the hon. member is enunciating so rapidly. For the hon. member's information I might mention that only two minutes remain before his time expires.

Mr. Dupuis: I shall now turn to the question of national unity, and I wish at this time to comment upon and briefly challenge the statement made in this house by the hon. member for Burnaby-Coquitlam (Mr. Regier). Other hon. members have already done so in appropriate terms. I shall limit my remarks on this ridiculous and fallacious declaration —and I suppose those words are permitted in this house, Mr. Speaker—by saying that I am at his disposal to supply him with documents, briefs and books, if he desires to avail himself of them, containing the appreciation of prominent English-speaking citizens of the province of Quebec who laud the fair treatment received by minorities there. I will also refer him to the magnificent address delivered in this house on January 17 by the hon. member for Pontiac-Timiskaming (Mr. Proudfoot), whose declaration is another proof that our province has always been broadminded. As reported at page 273 of *Hansard* he said:

> I want to point out that the minorities have been fairly treated in the province of Quebec. Most certainly that is so when compared with the treatment of minorities in some other provinces of Canada. I would say that in the constituency which I have the honour to represent, 75 per cent of the people are of a different religious faith from myself, and at least 65 per cent of the people in that constituency are of French-Canadian origin. In the last two general elections, the voters of my constituency were willing to and did support me, and I believe those who opposed me did so not

because I was of a racial religious minority group but rather because I happened to be of a different political faith.

Mr. Johnson (Kindersley): You are reading too fast.

Mr. Dupuis: As to the assertion made by the hon. member for Burnaby-Coquitlam that there is no part of Canada that is as ripe for advances by the communist party as the province of Quebec, I just want to tell the hon. member—I will soon be finished with these remarks, Mr. Speaker; I require your indulgence for just another two minutes, no more—who uttered such an erratic statement that he will not live to be old enough to see a situation in Quebec justifying such a stupid prophecy. Generations will go by and Quebec will continue to be the safeguard of Christian and democratic principles in this country. Let that hon. member not forget that communism is the descendant of socialism, which is the creed of the C.C.F. party and its supporters. The more we keep away from socialism, hence C.C.F. ideals, the further we are from communism and its subversive methods. Our institutions, our schools in Quebec, and the clergy of all Christian denominations will always be the bulwark of our democratic liberties.

I am finishing, Mr. Speaker. If the hon. member is not yet convinced, I will tell him this. Come east, young man; and if he wishes it, I will accompany him on his tour. I am ready to accompany many members as long as it is for a good purpose. I will accompany him on his tour, but he will have to stay long enough this time in the province of Quebec to become familiar with the way of life and the ideals of its population. He will then find out for himself how foolish and unjustified were his remarks and will, I am sure, seize the first opportunity to make a retraction.

It was my intention to talk of several other subjects—

Some hon. Members: Oh, oh.

Mr. Dupuis: —but I realize that my time has expired. I really thank you, Mr. Speaker, for the indulgence you have accorded me. In the meantime I will just say one thing. I want to assure my constituents that I shall lose no opportunity to justify the confidence they have placed in me and in the party to which I am so happy to belong.

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, in taking part in this debate, after it has gone on for so many days and after so many speeches have been made, I shall endeavour not to be guilty of too much repetition. After listening to the previous speaker, may I say that if the committee on procedure of this house can cut the length of speeches to 30 minutes, I think it would meet the desires of most hon. members.

The speech from the throne is a document that is prepared by the government and is handed to the Governor General to read at the opening of parliament. At this time I want to congratulate the two new members who moved and seconded the address in reply for the effort they put into the preparation of their speeches. From what I have learned from reading the speech from the throne and from listening to the previous speeches, this document is a fairly calm one. In it there is nothing about securing trade or markets for Canadian farm products. There is not even a reference to the pilgrimage to Washington of the three cabinet ministers a few weeks ago for the purpose of securing trade. They must have come back empty-handed because this government is so boastful about things they do that, if they had received any extra trade agreements or things of that sort, we certainly would have heard about it long before now. In the speech from the throne there is not even a reference to that pilgrimage to Washington.

The employment situation is treated as though it were seasonal and unimportant. I think it was the Minister of Trade and Commerce who said it was regional. It is regional all right, because it has permeated every region and every part of Canada. Then someone said that the 600,000 unemployed were an unimportant matter. It may be unimportant to this government, especially to the cabinet, but it certainly is not unimportant to the people of Canada, especially those who are out of work. When 600,000 are out of work it means 600,000 families who are unhappy at this time.

We have had the promise of public works projects, but no indication is given as to what they are or how much is involved. I may be of an unduly suspicious nature, but I suspect that too much has been made of them already and that not half the projects we anticipate will actually be undertaken. There are, however, two proposed matters of legislation that are welcomed. One is the increase in the war veterans allowance, for which the Conservative party has fought for years. The other is the proposed reduction in the qualification age for blind pensions. That is something that is all to the good.

I also recall a recent speech by the Prime Minister (Mr. St. Laurent) advising the people of Canada to be calm. Calmness has a place, but it is asking much of Canadians to be calm in the face of unemployment which is steadily

rising, and to be calm with the continuing loss of export markets. Incidentally, the raising of unemployment insurance payments and the granting of winter bonuses will be appreciated by the people who are out of work, and will tend to alleviate but will not solve the problem of unemployment.

Are the labour forces to be calm in the face of increasing unemployment? Are Canadians to be calm in the face of being subjected to super-heavy taxation which is far above that which is needed to maintain our defences and other branches of government, and which bears so heavily on the lower income families? Are Canadians to be calm when they know that super-taxation has done its part to place prohibitive price tags on the goods they have to buy and on products for which markets have to be found abroad? Shall Canadians be calm when they know that corporate taxation at present super-high rates is killing the goose that lays the golden egg? Without fair profits there cannot be jobs. That statement applies to government-owned industries as well as to private business, as has been proven by the the province of Saskatchewan's experiment in socialist enterprise.

All of us will welcome the expected reductions in taxation this session, although no reference is made thereto in the speech from the throne. This is a course the Progressive Conservative party has advocated for years, but these reductions are several years too late. What of the farmers and other primary producers who are caught in a vise-like squeeze between falling prices for farm products and rising costs of the things they have to buy? Are they to be calm? What of the pensioners whose pensions have been greatly devalued by the cost of living? Are they to be calm? These are but a few of the problems affecting Canada's economy at the present time.

A few days ago the Minister of Labour (Mr. Gregg) said he had more amendments to the Unemployment Insurance Act to bring before this house. As I said before, everybody appreciates the amendment that was recently passed, but we would welcome other amendments to the Unemployment Insurance Act. I do not see why he is waiting. Why does he not bring them in now instead of telling us that he is going to do so later on in the session? If it is going to be for the benefit of the workers, and if it is going to help the unemployment situation, they should be introduced now. The people need them now.

Then as to the matter of unemployment insurance benefits, even with the benefits that have been added for the winter months these benefits are running out fast in many places. What happens when the benefits run out? You know what happens. The people line up at the relief desks in the municipalities. Who pays the relief? The municipality, to be sure. Does this government help the municipality to pay its relief costs? Not one iota. Is unemployment in Canada the responsibility of this government? Why, certainly it is. Everyone knows it is the responsibility of the federal government. Therefore the federal government should dig down into its pocket and come to the aid of the municipalities in paying their relief costs.

In my own constituency 30 per cent of the labouring men are out of work. In the northern half of my constituency 50 per cent of the men are out of work. The reason is that it is a tourist and lumbering district, and when the tourists go in the fall there is nothing for the people to lean upon except the lumbering industry. Many workmen from other parts of Canada drift into the Haliburton area looking for work in the winter months. They have drifted there this year, but there has been no work for them. The only thing they have done is to increase the number on relief. There are more lining up for relief every day at the municipal offices.

What has happened to the economy of the lumbering industry in Canada? I can tell you. We have lost the British market. When Canada lost the British market for lumber, British Columbia lumber started to come into Ontario. British Columbia lumber producers cut the price and competed with our producers on the 8, 10, 12, 14 and 16 foot lengths that we produce in Ontario. In British Columbia their lumber is produced in longer lengths, and when their yards are piled full with short lengths they become a drug on the market and they can afford to ship them to Ontario and undersell us so far as price is concerned.

There must be something more than that behind the situation. I saw in a newspaper a few days ago that New Zealand has recruited 100 Canadian lumberjacks to work in that country. The government of New Zealand is considering coming to Canada to get more forest labourers to go to their country to work in their lumber industry. How is it that they can manage to produce lumber in New Zealand? Their market must be the same market as ours. That is the situation at the present time so far as my riding is concerned. We cannot sell any lumber.

There is one other point about the unemployment situation that I think I should mention, and it has to do with the Canadian National Railways. The Belleville division is in my riding, and the Canadian National Railways have sent out an order laying off 60 section crew men in that division. That cuts that labour force right in two. You had an average of four men to a section taking

care of and maintaining 7 miles of track and now there will be four men taking care of 17 miles. The order is to become effective on the 1st of February.

Snow removal costs have been twice as great this year as in any of the last ten years. The idea of cutting the number of sectionmen is not new. The present set-up in the Belleville division has been in operation for 30 years to my knowledge. The same crews have been taking care of the same mileage, maintaining the same number of miles of track. But now the C.N.R. has seen fit to knock off 60 men and cut the number right in two. Hours of labour are shorter now than they were 15 years ago. Men do not do as much hard work as they used to, but the C.N.R. is going to ask these men to do twice as much work with half as many men.

It appears to the employees that this move is simply retaliation by the C.N.R. on account of the fringe benefits awarded the men by Mr. Justice Sloan in the arbitration of a few months ago. In 1951 the Canadian National Railways came forward with the very same program at about the same time of year. I spoke in the house on the matter at the time. The order went out, but for some reason or other it was not put into effect; the situation was left unchanged and has remained that way up until the present time. In 1951 there were 6 roadmasters on the Belleville division and today they have 21. There are to be fewer sectionmen with more miles to cover and there is more snow to remove, but there are three times as many roadmasters. I think certain types of work on the C.N.R. could stand to be investigated, because it seems to me that the railway is overloaded with officials from top to bottom.

Men are being moved all over the system. Men with 40 years of service are affected and are going to be moved about from one part of the country to another if they wish to hold their jobs. The younger men of course are the ones who will be laid off. The C.N.R. has 50 per cent more officials than the C.P.R., on the basis of the number of labouring men. No wonder the Canadian National comes back to parliament every year and wants more money to operate the road. It is no fault of the men. There are just as good men on the Canadian National as there are on the Canadian Pacific or any other railroad on the North American continent. It is a question of too much officialdom and too high salaries in the top brackets of officials.

Some few years ago I put a question on the order paper in an endeavour to find out what were the salaries of some of the top men of the C.N.R., but that question was never answered. I think I shall try again this year. It may only be a try, but sometimes it is worth it.

I should like to do a little advertising of my own riding. Several things are happening there that I hope will produce a lot of work and be of value to our country. I refer to the discovery of uranium. It is not a new find. Dr. Hugh Spence, the head of the metallurgical service of the department in Ottawa, wrote an article on it in 1932. It was fresh in the minds of the government at that time. Plenty of people asked the government to do something about it, but instead the government spent a billion dollars at Eldorado when there was uranium at the back door of their Chalk River plant.

Mr. Howe (Port Arthur): In 1932?

Mr. Hodgson: That is being proved now by diamond drilling, and nobody knows it better than the minister.

Mr. Howe (Port Arthur): May I ask what government was in power in 1932?

Mr. Hodgson: Yes, but you have been in power ever since 1935. The same thing has been before you. The article was written in 1932, but there certainly has not been anything done about it since.

An hon. Member: The Conservatives found it and you would not use it.

Mr. Rowe: You built Chalk River. We did not need it then. You were the only ones who needed it.

Mr. Hodgson: Mr. Speaker, may I call it ten o'clock?

On motion of Mr. Hodgson the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: I think it is almost two weeks since I appealed to the house to try to wind up this debate. I know there are still a number of speakers who are anxious to participate, but I should point out that there is really no other work being done except in the rules committee, and I would hope that we could wind up the debate early in the week so we could get on with legislation and other work.

Mr. Knowles: Would the minister indicate which items of legislation would have priority if we did reach that stage which he regards as so happy?

Mr. Harris: I would not be able to do so at the moment but I could on Monday night, and I would hope that having done so my hon. friend would wind up the debate.

Mr. Rowe: I do not think you will finish it Monday night.

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

APPENDIX

Regulations respecting the payment of freight assistance on western grains and millfeeds shipped into eastern Canada and British Columbia

Eastern Canada

1. The Minister of Agriculture is authorized to pay freight assistance on:

(a) Western wheat, oats, barley, rye, wheat bran, wheat shorts, wheat middlings, No. 1 feed screenings and No. 2 feed screenings, shipped or transported by rail or boat from Port Arthur, Fort William or Armstrong, Ontario, to destinations in Canada east thereof and distributed for use exclusively as feed in Canada for Canadian livestock or poultry;

(b) Wheat bran, wheat shorts and wheat middlings milled in western Canada, or milled in eastern Canada from western wheat shipped or transported from Port Arthur, Fort William or Armstrong, Ontario, to port elevators or flour mills in Canada east thereof when such bran, shorts, or middlings are distributed from the manufacturing mill for use exclusively as feed in Canada for Canadian livestock or poultry.

2. The payment of freight assistance authorized pursuant to section 1 shall be as follows:

(a) On all rail shipments to destinations in northern Ontario the payment shall be the actual carlot rail freight charges but not exceeding $4.50 per ton;

(b) On all shipments to destinations in Ontario, except northern Ontario, the payment shall be $4.50 per ton;

(c) On all shipments to destinations, other than those in Ontario, the payment shall be $4.50 per ton if the destination is within the Montreal freight rate zone and $4.50 per ton plus the remainder of the through carlot rail freight rate in excess of the Montreal freight rate zone rate if the destination is beyond the Montreal freight rate zone provided that such destination has a through carlot rail freight rate below 80 cents per hundredweight; if the destination of the shipment has a through carlot rail freight rate of 80 cents per hundredweight or higher the payment shall be $6.00 per ton plus the remainder of the through carlot rail freight rate in excess of the Montreal freight rate zone rate;

(d) The rates of payment under paragraph (c) shall not be increased while this order is in effect irrespective of any increase in all rail through carlot rail freight rates which would result in the balance of such rate over the Montreal freight rate zone rate being higher than it is at the time this order becomes effective.

British Columbia

3. The Minister of Agriculture is authorized to pay freight assistance on:

(a) Western wheat, oats, barley, rye, corn, No. 1 feed screenings and No. 2 feed screenings, wheat bran, wheat shorts and wheat middlings, shipped from points of origin in the provinces of Alberta, Saskatchewan, Manitoba and in that part of British Columbia known as the Peace river district, to destinations in British Columbia and distributed for use exclusively as feed in British Columbia for Canadian livestock or poultry;

(b) Wheat bran, wheat shorts and wheat middlings milled in British Columbia from western wheat, shipped from points of origin as designated in paragraph (a), and distributed as designated in paragraph (a).

4. The payment of freight assistance authorized pursuant to section 3 shall be $5.00 per ton less than the carlot short line rail freight charges from Calgary or Edmonton or the point of origin in Alberta, whichever is the lowest, to destinations in British Columbia, and to pay the coastal water carlot shipping charges from any coastal point in British Columbia to any other coastal point therein but not exceeding the balance of the through rail carlot freight rate if the said coastal point is served by rail, provided that if the carlot rail freight rates are increased while this order is in effect the unpaid portion of the charges shall be increased by an amount equal to the increase in the said rail freight rates.

General

5. On all grains and feeds shipped and distributed in accordance with the provisions of this order, evidence satisfactory to the minister must be produced to show that the sale price to consumers of such products has been reduced by and takes into account the payment of freight assistance as herein prescribed.

HOUSE OF COMMONS

Monday, January 31, 1955

The house met at 2.30 p.m.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 9, respecting the Huron and Erie Mortgage Corporation.—Mr. Mitchell (London).

PIPE LINES

TRANS-CANADA PIPE LINES LIMITED—REPORTED REQUEST FOR GUARANTEE OF BONDS

On the orders of the day:

Hon. W. Earl Rowe (Acting Leader of the Opposition): Mr. Speaker, in view of the fact that newspapers across Canada, and particularly the financial papers, are reporting that an application to the government has been made by Trans-Canada Pipe Lines Limited for the guarantee of their bonds, will the Acting Prime Minister inform the house if such an application has been made and whether he has any report to give on the details of it?

Right Hon. C. D. Howe (Acting Prime Minister): Mr. Speaker, I received notice of a question from the hon. member for Dauphin (Mr. Zaplitny) and in reply prepared an answer which I can give at this time.

Trans-Canada Pipe Lines Limited has made representations to the Minister of Finance (Mr. Harris) and to myself regarding problems associated with financing of the pipe line from Alberta to Ontario and Quebec. These representations are now being studied by the Minister of Finance. No action is being or will be considered by the government until such time as the Minister of Finance is prepared to report to the cabinet in this regard.

HARBOURS

NEW WESTMINSTER AND FRASER RIVER—PRIORITY AND DIRECTORSHIP RESPECTING DREDGING

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): I should like to direct a question to the Minister of Public Works, notice of which I sent him earlier in the day. Will the minister indicate with whom the authority rests to establish priority and directorship of dredging in the New Westminster harbour and on the Fraser river as between the New Westminster harbour commission and the federal Department of Public Works?

Hon. Robert H. Winters (Minister of Public Works): The Department of Public Works is the authority for dredging in the Fraser river. There is close co-operation between our district engineers, the harbour board and the pilotage authorities. A yearly program of maintenance dredging is laid out, but if a particular or unforeseen need at any point is found by our engineers or is brought to their attention, steps are taken to remedy it at the first opportunity.

MEAT

IMPORTATION OF LAMB PRODUCTS FROM NEW ZEALAND

On the orders of the day:

Hon. W. Earl Rowe (Acting Leader of the Opposition): In view of inquiries made of me over the week end, I should like to ask the Minister of Agriculture whether he is aware of the fact that New Zealand lamb products in considerable quantities are being brought into Canada at the present time?

Right Hon. J. G. Gardiner (Minister of Agriculture): Yes, Mr. Speaker; I was aware of the fact that lamb was being brought into Canada. I am not sure whether it is still continuing to come, but it has been coming for some time.

Mr. Rowe: I should like to ask a supplementary question, if I may. Has the suggestion been made to the minister that the importations be held in storage until say the middle of April or May so that they may not disrupt the market as much as many livestock men presume they will?

Mr. Gardiner: I shall look into the question. But so far as I am aware, lamb has been coming for some time and I have had no complaints.

Mr. Rowe: I should like to ask one further question, if I may. Is it a fact that a large boatload is coming in or is on the way at the present time? It is rumoured that a much larger quantity than usual is on the way.

Mr. Gardiner: I am not aware of the amount that is coming in at the present time, but it has been coming for some considerable time.

Inquiries of the Ministry

PRAIRIE FARM ASSISTANCE

INQUIRY AS TO DATE OF FIRST PAYMENT

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I wish to direct to the Minister of Agriculture a question arising out of the critical shortage of purchasing power amongst western farmers. Can the minister inform the house what progress has been made in the making of prairie farm assistance payments and when it is expected that the first payment will be made?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I presume that, by the first payment, the hon. member means the 60 per cent, which we try to pay in December.

Mr. Argue: Yes.

Mr. Gardiner: I have a statement of the payments made up to date. The total amount that has been awarded up to date is $3,548,000. As to the 60 per cent payment, the amount that has been paid out is $2,126,154. The delay in making payments this year as compared with other years is due to the fact that rust has caused most of the difficulty and it takes a much longer time to estimate what the payment ought to be. However, it will be put through just as rapidly as we can possibly do it.

[*Later:*]

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the minister in connection with his reply with reference to Prairie Farm Assistance Act payments in order to remove any suggestion or feeling that is held to the contrary. Is there a differential being paid today between northern and southern Saskatchewan on the basis of a like number of bushels per acre, or is the same payment per acre being made in both areas based on the degree of crop failure?

Mr. Gardiner: It is the same on a bushel per acre basis wherever payment is made, whether it is in any one of the three provinces or any part of any one of the three provinces.

LIVESTOCK

REQUEST FOR LEGISLATION PROVIDING FLOOR PRICES

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): I should like to direct a question to the Minister of Agriculture. In view of the fact that both the interprovincial farm union council and the Canadian Federation of Agriculture have now requested floor prices under livestock and poultry, is it the intention of the minister to recommend legislation during the course of this session to bring floor prices for these products into effect?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I have not yet seen the request which is being made by the federation of agriculture. I have, of course, seen the request made by the interprovincial farm union council. That was made here some time ago. But in so far as I have seen reports in the press, the Canadian federation has asked for approximately what we are doing, with the further suggestion that we should have a formula upon which to base what is being paid. The question is:

> . . . is it the intention of the minister to recommend legislation during the course of this session to bring floor prices for these products into effect?

The legislation we now have does make provision for floor prices being put into effect on any farm products excepting wheat if it is thought wise to do so.

Mr. Zaplitny: May I ask the minister—

Mr. Speaker: Order. The hon. member for Dauphin wants to ask a supplementary question.

Mr. Zaplitny: Is it the opinion of the minister that the present legislation provides for floor prices for producers?

Mr. Gardiner: Yes. It is not intended to provide floor prices for anyone else but the producers.

BUSINESS OF THE HOUSE

DISPOSITION OF QUESTIONS ON ORDER PAPER

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, was it not understood that we would take order paper questions on Mondays?

Hon. W. E. Harris (Minister of Finance): No, I do not recall that it was. It was done last Monday but I do not recall that it was agreed that we would do it every Monday. However, if my hon. friends want to have questions and notices of motions for production of papers dealt with some time this week, we will arrange it.

Mr. Coldwell: Wednesday?

Mr. Harris: Probably.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Friday, January 28, consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to

his speech at the opening of the session, and the amendment thereto of Mr. Rowe, and the amendment to the amendment of Mr. Coldwell.

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, on Friday night just before the house adjourned I referred to a paper written by some of the departmental heads in Ottawa in 1932. I was speaking from memory and I made a mistake of two years because the paper was written by Dr. Hugh Spence and R. K. Carnochan in 1930. The first part of the paper reads as follows:

This paper deals with an occurrence of radium ore near Wilberforce, Haliburton county, Ontario, upon which development work has recently been undertaken and which seems more likely to prove of commercial grade than any other deposit of radioactive minerals hitherto found in Canada. This occurrence is sometimes called the Richardson property, after Mr. W. M. Richardson, the discoverer, and will be so referred to in the present paper.

The ore is referred to in the paper as radium. At that time not much had been heard about uranium. Nothing was known about it so far as atomic energy was concerned. I want to bring it to the attention of the government that the ore was found some years ago. Then there is this passage in the paper:

The first discovery of radium ore in the Wilberforce district was made in 1922 by Mr. W. M. Richardson, a prospector and miner with Alaska and Yukon experience, who had come to Wilberforce in connection with the finds of molybdenite that had been made near that place . . . In the course of prospecting the district, Mr. Richardson found a heavy, black mineral in surface outcrops of pegmatite at different points on the property, and having obtained a sample of . . . pitchblende, identified this mineral as uraninite. He, therefore, took up the mining rights on lots 4 and 5 in concession XXI, and on lot 4 in concession XXII, and proceeded to open up a number of small prospect pits and trenches.

A sample of uraninite sent by Mr. Richardson to Ledoux and Company, of New York, for assay, was reported by them to contain 58·35 per cent of uranium oxide . . . , equivalent to a radium content of 147 milligrams of radium per ton. Late in 1922, Dr. W. G. Miller visited the property and described it briefly in *The Canadian Mining Journal* of January 11th, 1924.

I mention that to show the house that what they were looking for at that time was not uranium. What was in their minds was radium which they wanted for medical purposes. Then I read the following from the paper:

In 1926, Dr. G. E. Richards, director of the department of radiology, Toronto General Hospital, had visited the property and secured samples of the ore and spring waters. With respect to the latter, Dr. Richards reported that three samples of water taken at various points all showed distinct radioactivity.

In 1927, Mr. M. D. Kennedy made a report on the property to the present company, who in 1929 commenced their first development work. Up to this time, attention had mainly been focussed on several outcrops of pegmatite that represented the points of original discovery of uraninite. . . . It is upon this lead that attention has since been centered and upon which work is proceeding at the present time. All of the three shipments of ore made to the mines branch in 1929, and upon which tests were run, came from this vein.

Since that time this paper was written, and late in the 1930's uranium was discovered there. As I said on Friday night, I do not think these people had very much encouragement from the government so far as uranium was concerned, but in spite of the government and the mines branch that property has been developed until today there are some 2,600 odd claims staked in a township and a half of that area. A lot of diamond drilling has been done and as soon as the snow goes in the spring much more diamond drilling will be started.

I might say that the hon. member for Timmins (Mr. Eyre), who is interested in supplying diamond drills and equipment for hard rock drillers, took a stroll through that area last fall. Inasmuch as he has some experience in other mining areas, he certainly was not there to see me. At least, he did not call me. However, he did go over the area, and starting on the first day of April his company is supplying 7 different hard rock diamond drilling outfits in that area.

We have also had there some of the best geologists and engineers in the Dominion of Canada. Many of them come from the northern part of Ontario. There have also been many surveys made, maps prepared and so on. I hold in my hand a map of the district. You will see many other claims staked on it besides those in colour, but the coloured parts will give you some idea of the mines that are ready to operate. Some of them have already started and the rest are ready to begin in the early spring. I could not begin to give the names of all 2,600 companies but these are some with which I am familiar: Rare Earth, Tyson, Blue Rock, Homer Yellowknife, Faraday, Denfield, Croft Uranium, Centre Lake and Canadian Radium.

Quite a few of these mines are subsidiaries of other mines in Ontario. There is no doubt about it that the diamond drill holes now show that we have the goods in that area. Rare Earth has found three distinct rare minerals there, thorium, zirconium and hafnium. Columbium has also been found. These minerals are in quite large quantities and good percentages. That company is a private concern. Nobody is helping it, but it has 37 diamond drill holes below 1,000 feet and they have proved they

have enough there in any one of these three claims to almost pay for operating the mine.

So far as uranium is concerned, there is a tremendous potential demand for uranium being created throughout the free world by the present research work on the applications of atomic energy both for military uses and industrial developments such as ship propulsion, electric power, etc. Present production goes exclusively to defence requirements and consumption figures are not available.

So far as other rare minerals are concerned, zirconium and hafnium, they are both newcomers to the industrial field and demand for both of them is expected to increase concurrently with the development of nuclear reactors. Zirconium has no substitute in the construction of nuclear reactor power plants on account of its physical properties, resistance to heat and corrosion, and low thermal neutron absorption cross-section. It is also very much in demand as a metal that can withstand the high temperatures in the combustion chambers of jet engines. According to the United States bureau of mines, as a structural metal, zirconium has tremendous potentialities.

Then we come to columbium. Columbium oxide also appears in appreciable quantity in the assay report. The most important use for columbium is the manufacture of high temperature steels and alloys used in jet aircraft engines. Other uses include electronic tubes, low voltage rectifiers, electrodes for welding stainless steel, and as an oxide in ceramics. The United States is entirely dependent on foreign supply for this metal, and over 97 per cent comes from eastern hemisphere sources, largely Africa.

I believe I am safe in saying, Mr. Speaker, that in Haliburton we have the makings of the greatest mining development that has ever occurred in Canada, as a result of the tremendous amount of uranium ore concentrates that have been found there as well as these rare metals. Whether or not these mining ventures have received very much encouragement from the atomic energy commission or the Department of Mines of this government, matters not. I am not going to argue about it. The people concerned seem to think they have had no encouragement whatever. If no consideration has been given to this company up to the moment I ask the minister, in all seriousness, to give some consideration to it because uranium cannot be mined without the approval of his department. This mineral has to be sold to the government according to the laws of the land, and an export permit cannot be obtained without the approval of the Department of Trade and Commerce. In all sincerity I ask the minister to once more look over the situation. I am sure he will give it some consideration when he sees the assay reports from that area.

There is only one more thing about which I should like to say a word in this debate. When the hon. member for Rosthern (Mr. Tucker) was speaking a few days ago, he linked the trips made by the Prime Minister (Mr. St. Laurent) to Quebec to those made by Sir John A. Macdonald at the time confederation was under consideration. I believe everyone will agree with me that the meetings attended by Sir John A. Macdonald resulted in Canada becoming one of the greatest countries in the world. I do not see how one could liken those trips to the trips made by the Prime Minister, and especially the last trip the Prime Minister made in September when he made a sword rattling speech. The Prime Minister took a different attitude when he went down to deal with Mr. Duplessis on the tax situation. Much to his credit, he is trying to do an about-face now. He is trying to patch up some of the mistakes he made in September. I hope the government will call a provincial conference as soon as possible, so that we may have more unity in Canada in the future than we have had in the past.

(Translation):

Mr. H. J. Michaud (Kent, N.B.): Mr. Speaker, in rising to take part in this debate on the speech from the throne, I feel highly gratified to share the opinion of those of my colleagues who have seen in this speech an important document, a harbinger of measures favourable to the stability and happiness of this country. It goes without saying that not everybody can attempt an analysis of the subject from the same point of view. Some see in this debate an opportunity for assailing the activities of the government of the country in order to promote the interests of their own party.

Such being the case, since the beginning of the debate, we have had occasion to hear the most surprising statements indeed. I was particularly struck by the description given of such an historic document as the speech from the throne by one hon. member who spoke of it as being a "desert of ideas in a flood of words". The hon. member felt justified in thus describing the speech made by His Excellency the Governor General on January 7 last.

Of course, it could not be given to all to possess to the same degree as the hon. member the art of striking out of a speech all

needless, superfluous words. For my part, I find in this document the outline of a concise doctrine that has been familiar to all of Canada for almost 20 years. Indeed, one only needs to reread the same speeches, made over the past 20 years, including that of 1955, to find in them the political philosophy which has made Canada one of the great countries of the world. I am happy to belong to the political party which has been the initiator of this philosophy of security and progress.

Mr. Speaker, I should like to concur in the splendid appeal made in this house by the hon. member for Gloucester (Mr. Robichaud) in favour of the bicentenary celebrations, which have started, in order to commemorate the deportation of the Acadians. I heartily endorse his invitation to all Canadians to join in those celebrations.

In order to further stress the character of these celebrations, I should like to quote briefly from a recent news item on the subject:

> At first people might wonder that our friends in the maritimes should choose such a painful anniversary as an occasion for great rejoicings. On second thought, however, no occasion could be more proper. In the first place, this celebration has the great advantage to show all Canadians that there is no ill-feeling left among Acadians.
>
> If they faithfully recall the past to honour the heroism of their forefathers they do not drift into sentimental memories. They prefer to study the present in the light of the future.
>
> Acadians have faith in the future; they know from experience that they carry within themselves the necessary resources of courage, tenacity and clear vision that will promote their development.
>
> While they are proud of their religious and national beliefs, they are not at odds with the present. On the contrary, they are striving to achieve a significant position. Because of their devotion to their small Acadian motherland, theirs is an efficient contribution to the greatness of Canada as a whole.

(*Text*):

In a speech made during the last session, Mr. Speaker, I mentioned that the economy of my constituency revolves around three important industries, namely, farming, fishing and lumbering. I would like at this time to refer again to these subjects. Figures of the 1951 census indicate that at that time we had in Kent county 2,328 farms. It is therefore evident that much of the economy of the country depends upon agriculture.

Farming conditions for 1954 were only fair. Unusually wet weather hampered farming operations considerably, and farm returns were greatly affected. These conditions were additional factors hastening the trend toward the desertion of the farming profession. I have had farmers come to me who were abandoning farms on which they had brought up large families, and who were going out to seek ordinary, unskilled labouring jobs.

In further analysing the above statistics we find certain classifications in connection with the farms in Kent county. We see that out of 2,328 farms, 538 are occupied by part-time farmers. We see that 604 farmers have incomes of less than $250 and that 622 have incomes between $250 and $1,199. Then, there are 405 farms on which the incomes are between $1,200 and $2,499, and 100 farms with incomes between $2,500 and $3,749. There are 30 farms with incomes between $3,750 and $4,999; there are 21 farms with incomes between $5,000 and $7,499, and three farms with incomes between $10,000 and $15,000. On only one farm is the income over $20,000. In the light of these figures it is apparent that the greater number of farms in Kent county are in the low income bracket.

I had suggested last year that, because of the peculiar local economic conditions, the Department of Agriculture should conduct an economic survey to ascertain the possibility of improving present conditions. I still believe that survey to be essential, and I wish now to renew my request, hoping that it will receive from the department the most earnest consideration.

May I voice to the government the hope of the farming population in my constituency that the policy of supporting the price of butter will be maintained. The dairy industry is basic to farming in Kent county, and we would view with apprehension the possibility of discontinuing this policy. We feel it would have an unfavourable effect upon the economy of our rural communities.

I would also express concurrence in the remarks delivered on January 12 by the hon. member for Westmorland (Mr. Murphy) with regard to the course followed by the Canadian farm loan board in our area. It would seem that this board has lacked on numerous occasions the flexibility required to fulfil its purpose. Too often loans which are really needed are refused because of a too-rigid system of assessment. More leniency therefore seems desirable in the application of an otherwise beneficial farm credit system.

I was pleased to learn in the speech from the throne that legislation is to be introduced to provide loans to fishermen similar to those provided farmers under the Farm Improvement Loans Act. Although the full extent of this proposed legislation is not yet known, I earnestly hope that following its enactment loans will be made available to lobster fishermen, such as are found along the eastern shores of New Brunswick. Lack of credit facilities is often a serious handicap to many of these fishermen. Capital is sometimes required to build a new boat, buy a new engine,

or provide new fishing gear, but it is not always available. The establishment of such a loans system would close the gap in the economic network of our fishing population.

The Department of Fisheries last year initiated programs which, I contend, have great value for our fishermen. These programs consisted of a series of lectures held in the fishing centres of Kent county by experts from the Department of Fisheries. I am pleased to be able to announce that the meetings at which these lectures were delivered were well attended and deeply appreciated. It would be advisable that these educational programs be maintained, for the benefit of our fishing communities.

Last year I indicated in the house the urgency of restoring the oyster industry in Kent county. A few years ago this was a flourishing industry, but it has now completely disappeared. The economic loss which resulted was seriously felt throughout the whole county.

I have here a report from the Department of Fisheries from which I should like to quote. This report applies to the Buctouche-Cocagne-Grande Digue area only. In 1929 there were 11,590 hundredweight of oysters landed, with a landed value of $33,821. Then for the next ten years oyster production remained at about the same level, but in 1939 a decline in production began to appear. The following table will show the weights of oyster landings, beginning in that year:

	Oyster Landings (Hundredweight)
1939	8,420
1940	5,250
1941	4,214
1946	3,300
1952	1,116
1954	nil

The industry suffered a similar decline in the Richibucto district.

I am aware of the excellent reputation enjoyed by Kent county oysters among connoisseurs. Their superior quality is not disputed. I am also aware of the initiative taken by the department to bring this oyster territory to its earlier state of productivity. Because of the economic importance of this industry to the area, I would urge that the efforts of the fisheries research board in this respect be fully maintained, and that a program aimed at the restoration of the industry be pursued with full vigour.

The lumber industry in Kent county is of major importance. Wood cuts are chiefly in pit props and pulpwood, which, for the greater part, are shipped to outside markets through Buctouche and Richibucto harbours. Some 42 boats, carrying approximately 53,000 cords, were loaded at Richibucto, and 28 boats, carrying approximately 42,000 cords, were loaded at Buctouche, during last season. These totals do not include, of course, the amounts shipped by rail, or through ports outside the county, nor the long lumber operations of the county. These different aspects of the industry give us an estimation of its importance to the economy of Kent county. Farmers, settlers, truck owners, stevedores, in large numbers, depend upon this industry.

I had good reasons, therefore, to be deeply interested in the speech delivered in this house last week, by the hon. member from Gatineau (Mr. Leduc), on the alleged price-fixing methods practised in the lumber trade in his area. I have had many people in my constituency complain about the abnormal situation of falling prices for the pulpwood or pit prop cord, beside an increased cost of living. The local producers, for the last four or five years, were compelled to accept steadily decreasing prices for their wood; this year again, they will receive $1 less than last year; $9 a cord compared to $10 a cord last year. I submit that this is barely more than the value of the labour involved for cutting a cord of wood, and the stumpage value. Newsprint, on the other hand, during the same period, remained on the upgrade. I was further interested in the declaration made by the Minister of Justice (Mr. Garson) that an investigation into this matter will be pursued. In view of those circumstances, this investigation should also be extended to the part of the country I represent.

I want to express my satisfaction with the amendments recently brought to the Unemployment Insurance Act, Mr. Speaker. I know that this will be of great benefit in many instances. May I also express to the Department of Labour my hope of seeing the benefits of unemployment insurance extended to the fishermen of the country. This measure would prove of great assistance to many fishermen of my constituency.

In listening to the speech made in this house last week by the hon. member for Royal (Mr. Brooks), I was delighted by his reference to a native son of New Brunswick who became prime minister of Great Britain. If New Brunswick feels proud of this distinguished son, we, in Kent county, feel doubly proud, because it was in this county, in the town of Rexton, that Bonar Law was born in 1858. He went to Scotland when still a boy. Today a cairn in the town of Rexton perpetuates the memory of a great man who, as a boy, lived in those quiet surroundings.

Mr. J. A. MacLean (Queens): Mr. Speaker, when the speech from the throne was about to be read a little more than three weeks

ago, all Canadians listened with anxiety to what it might contain. Although some of us were pleased with some aspects of it, we were disappointed with others. For my part, I wish to say that it did contain several items which were pleasing to me, and it would be fair to say probably pleasing to most of the people in the maritime provinces. To begin with, it was noted that plans are under way to commence the building of a new ferry to connect Prince Edward Island and Nova Scotia for the service which now exists between Wood Island and Caribou. It was also noted that a new ferry would come into operation this year between North Sydney and Port aux Basques, Newfoundland. Notice was also taken of the fact that a new ferry service will be inaugurated between Yarmouth, Nova Scotia, and Bar Harbor, Maine. We are all pleased to see these improvements in the transportation set-up in the maritime provinces. They should react beneficially on our economy generally because, if the cost of transportation can be reduced, markets will become more readily available for the producers in that area. It was also noted that very shortly the Canso causeway joining the island of Cape Breton with the mainland of Nova Scotia would be completed. That is a remarkable engineering achievement. It is perhaps unique in this country. But it is a thing that carries with it not only a blessing but also some disadvantages that will cause some inconvenience to groups of people as economic readjustment will be necessary when this new type of more rapid transportation between Cape Breton and the mainland comes into use.

However, we in Prince Edward Island, in common with the people of Britain, Bermuda, Newfoundland and various other places, are conscious of the peculiar advantage we have in being able to say that we live on an island, because living on an island has definite advantages. Island people all over the world have been leaders in their fields, generally speaking.

Mr. Fulton: Does that apply to St. Pierre?

Mr. MacLean: Yes, that applies even to St. Pierre and Miquelon.

Mr. Pearkes: And Vancouver island.

Mr. MacLean: Therefore, we on Prince Edward Island are especially appreciative of the consternation that will rise in the breasts of the people of Cape Breton island when they wake up some morning and realize that they are physically as well as politically a part of Nova Scotia. Between the island of Cape Breton and the mainland there has been rather good-humoured competition that goes back a long way, to the time when Cape Breton was a separate colony. In that connection I should like to quote briefly a statement which will bear that out. This refers to the time when Cape Breton was a separate colony:

> By the end of 1785 he found himself in difficulties,—

This refers to the then governor of Cape Breton island. I continue:

> —there being an insufficient supply of provisions for the supply of the inhabitants during the winter, he applied to the Lieutenant Governor of Nova Scotia, John Parr, for supplies, and was refused. DesBarres in reporting this to London says that this was because Parr "had an aversion to the measure of erecting Cape Breton, formerly included within the jurisdiction of his province into a separate government, and, together with some of the officers of his civil establishment and mercantile men long used to a monopoly of trade in Nova Scotia, seemed hurt by its dismemberment, expecting that their perquisites and exclusive profits would be reduced."
>
> "Accordingly, in order to frustrate the measure, they depreciated the natural advantages of the island, discouraged the accession of settlers, intercepted the supplies for its support, and predicted that the infant colony would be broken up the first winter". There is little doubt that the government of Nova Scotia and the leading merchants were greatly displeased at the establishment of Cape Breton as an independent colony, and they might well be expected to rejoice at DesBarres' embarrassments, which they would not help to ameliorate.

Perhaps that is typical of the way in which large political units tend to try to push smaller political units around if they have the opportunity to do so. Perhaps that accounts for the fact—I think it is a fact; I am told it is—that for many years it has been customary in the homes of Cape Breton island to say a long grace before meals. In doing this they usually recited at great length the benefits which the people in that island enjoyed, and then they ended up by praising the Deity and saying: We especially thank Thee for the strait of Canso that separates us from Nova Scotia. I think a twinge of regret will accompany the great sense of achievement and progress which the Cape Breton islanders will have when the new causeway comes into operation.

There has been a long historical connection between Cape Breton island and my own province. During the French regime Prince Edward Island came under the protection of the great fortress at Louisbourg. It was during that time that the capital of my province was founded. For a special reason I should like to ask your indulgence to permit me to quote from a book written by Professor Harvey, a native islander, who is now the archivist for Nova Scotia. I hope

I will not embarrass him by bringing this statement of his to your attention. He says:

During the spring and early summer of 1720 preparations were pushed on by the new company. Every encouragement was given the partners by the royal officials and at least three ships set out from Rochefort bearing the new colonists, the fishermen, and their supplies. On the last of the three ships to set out was the Sieur de Gotteville de Belleisle, lieutenant in the navy and chevalier of the order of St. Louis, who was given charge of the new establishment and destined to become commandant throughout the concession on March 9, 1721. The ships touched at Louisburg where they secured pilots and went forward on the great adventure. Although the island offered considerable choice as to harbors the respective merits of these were still unknown, which confirms the view that the various fishermen who had hitherto resorted there had made no charts and had been concerned only with suitable moorings for comparatively small craft. But the enterprise of Comte de Saint Pierre was much more pretentious and now a harbor was to be selected suitable for the capital of a colony and capable of admitting ships of heavy burden.

While in Louisburg de Gotteville had requested St. Ovide de Brouillan, governor of Ile Royale, to allow Denys de La Ronde, an officer of much experience in the founding of such establishments, to accompany him to Isle Saint Jean. The request was granted, although de La Ronde had been expected to report at Quebec, and together they proceeded to the island. Here they found the other ships which had preceded them already well advanced with the work of unloading supplies, having been conducted by the pilots to Port La Joye. Together they chose the site on which were erected the first official buildings. Though later subject to much criticism because it was comparatively poor in natural resources, Port La Joye remained the capital throughout the entire French period, and under the English the city of Charlottetown was erected on the same harbor, not far from the original site so hastily selected by de Gotteville and de La Ronde. In this sense the capital dates from 1720, twenty-nine years before the founding of Halifax.

I bring that to your attention because this year the capital city of my province is celebrating its centennial. I do not want anyone to be confused by thinking that Charlottetown is only 100 years old. What it is actually celebrating is the centennial of its incorporation as a city. I think it could be forgiven for this anyway because Charlottetown is named after a lady and perhaps allowance should be made when there is a discrepancy of 130 years between its actual age and its nominal age.

This centennial celebration will be going on for the entire year and I should like to extend on behalf of the people of Charlottetown a very hearty welcome to all to come down and enjoy themselves this summer and also to steep themselves in some of the early history of the maritime provinces.

I noted with satisfaction a reference to the bringing into force of the pensions for the totally disabled. I think all hon. members of this house will agree that that is a beneficial thing. Reference is made also to an amendment to the Blind Persons Act which would lower the age limit at which persons are entitled to receive pensions.

In this connection I should like to bring to the attention of the Minister of National Health and Welfare (Mr. Martin) something of which I know he is well aware. There is a gap between the date when family allowances are no longer paid and when a blind or completely disabled person becomes eligible for benefits under either act. A family which is burdened by having a completely disabled or blind child receives no benefit in connection with that child between the ages of 16 and 18 years. I do not understand why those two years have been left out in the social security program of the government which they usually boast of as providing security from the cradle to the grave. I am afraid that they have missed two years.

I notice with satisfaction that it is intended to introduce legislation to amend the War Veterans Allowance Act in order to raise the ceiling on permissible income. This is something which is long overdue. With the permissible income as it was before, a hardship was imposed on those veterans who were able to earn small amounts of money on the side. I am pleased indeed to see that it is intended to improve that situation a little bit.

I am pleased also that legislation will be brought into being to make it possible for fishermen to borrow from the bank in the way that farmers are granted loans under the Farm Improvement Loans Act.

Having said that, Mr. Speaker, I now want to turn to some of the things that were glaringly missing from the speech from the throne. Little reference was made either to trade or to unemployment. I want to refer first to the question of trade. The party from which this government gets its support, when talking out of the western side of its mouth, usually prates about free trade. We in the maritimes are quite conscious of the fact that it does not practise free trade. I am not criticising that fact on principle, but while this government talks in the west of free trade, I should like to recall to mind the fact that it does not practise it. When a Canadian is born in this year 1955, when he is first bathed he is washed in soap on which there is a 22½ per cent tariff and a similar sales tax. Then he is wrapped in baby clothes on which there is a 25 per cent tariff. He is put in a bassinet on which there is a 15 per cent tariff; and in each case the sales tax is the same.

Mr. Rowe: Some free-trade baby!

Mr. MacLean: When he gets a little bit older he is pushed around in a baby carriage on which there is a 22½ per cent tariff. When

he is baptized, even the baptismal certificate has a 17½ per cent tariff on it; and so he goes on through the whole of his life until he eventually shuffles off this mortal coil, when he is placed in a coffin on which there is a 17½ per cent tariff and is taken to a cemetery in a hearse on which there is a 17½ per cent tariff.

An hon. Member: Secondhand at that.

Mr. MacLean: His grave is filled in with a shovel on which there is a 15 per cent tariff. Just so that I will not be in error here, I want to point out that there is a 20 per cent tariff on the shovel handle. Hence we should be quite conscious of the fact that we are not by any means living in a free-tariff or free-trade nation.

We in the maritimes do not, I think, contend for one moment that complete free trade would be practical because we in the maritimes have seen, from bitter experience, what happens when a small economic unit is thrown in, on a free trade basis, with a larger one. We have seen, following confederation, our small industries largely go bankrupt or quietly die or be bought up by their larger competitors in central Canada, to be carried on for a short while, for a few years, so that it would look good, and then disappear. A branch would be kept on and then suddenly some night this branch of the main factory or of the main head office which would be usually somewhere in Ontario or Quebec, would fold its tents like the Arabs and silently steal away overnight. This would not even have any publicity, but there just would not be a plant there any more. That is something that has happened time after time in the maritimes. There are in the maritimes certain towns that at the time of confederation had dozens of small industries whereas now their only industry is that of showing tourists around some historic site in the neighbourhood.

If those who speak of free trade tried to apply it to the North American continent, on the same basis, I am quite convinced they would find that the smaller economy of Canada, when tossed into the same economic market as that of the United States, would share the same fate. For instance, there would be no reason to carry on branch factories of automobile companies in Canada. The branch factories in Canada of the large automobile manufacturing companies in the United States would be closed down. It would not be economic to continue them; and so it would be with a great number of industries now existing in Canada simply because they have a measure of protection from their larger competitors south of the border.

I point out that situation, Mr. Speaker, because I did not want you to have the impression that we in the rather cool, moist, lush, rolling maritimes were starting to see this free trade mirage which I am told is sometimes seen across the hot, level plains of the prairies. When we in the maritimes went into confederation we realized that the economy of our country as a whole would need to be protected, and we were willing to accept that fact. We were willing to buy automobiles, for instance, which have on them a sales tax and a tariff, made in central Canada. Of course there were no automobiles at the time of confederation.

An hon. Member: Horses and buggies.

Mr. MacLean: Yes, horses and buggies; buggies at any rate. We were willing to accept that proposition but we were under the impression that it was going to be a two-way bargain. We were under the impression that we in turn would be protected with regard to the things we produced in the maritimes so that we would sell our products in the larger markets of central Canada.

I have searched through the tariffs of this country and I have failed to see any instance where an industry which is peculiar to the maritimes has any worth-while protection. For example, let us consider the situation with respect to coal. Anthracite coal comes into this country free. Bituminous coal has a tariff of 50 cents a ton, which is negligible. Gypsum—another product of the maritimes—in its crude form comes in free; there is no duty on it whatsoever. There is little protection for dairy products. Of course dairy products are not peculiar to the maritimes but they are extremely important to the economy of the maritimes. At the present time we see cheese from New Zealand coming in almost free.

I do not want to discuss this problem in terms of generalities. I want to give my attention for a few moments to one product in particular, namely potatoes. I realize that I run the danger of being accused by members from other parts of the country of just complaining because I am from the maritimes; and maybe that is understandable because the maritime members of parliament ever since confederation have been complaining about the deal which the maritimes got in confederation. I imagine it is a topic that is getting worn a bit threadbare, but I want to repeat it once more. In all sincerity I want to say that I believe that if the members of parliament from central Canada especially would make a practice of coming to Ottawa at least once a year via Whitehorse or Victoria or St. John's, Newfoundland, they would have a broader outlook with regard to the

problems of this country which impinge especially on the economy of the extremities of the country.

I want to refer to the situation arising from the lack of protection for the Canadian potato market. I first want to point out that nine-tenths of the potatoes exported from Canada to other countries come from the maritimes. They come almost entirely from New Brunswick and Prince Edward Island. Probably that is the explanation why the market is not protected. It is conceivable that, at a tariff conference taking place between Canada and the United States, Canada wanted a concession so far as the United States market was concerned for a manufactured product from some other part of Canada, and the Americans said, "Yes, fair enough, we will give you the concession if you will give us a concession on something else." Then someone said, "Surely, we will give you a concession on potatoes. They are only exported by the people down in the maritimes and if they complain about it we will just accuse them of grousing and let it go at that."

But this is the situation. From 1906 to 1919 there was a duty of 20 cents per bushel on potatoes coming into Canada from the United States. From 1923 to 1930 there was a duty of 35 cents a hundredweight on potatoes coming into Canada. From 1930 to 1935 the duty was 75 cents per hundredweight. Since 1935 to the present time potatoes of all kinds come into Canada from the United States duty free except for a period of six weeks, and I should like to bring to the attention of hon. members the period when there is a duty. The six weeks are from June 15 to July 31 when it is pretty nearly impossible to find a Canadian potato offered for sale. At that time the duty on potatoes coming into Canada from the United States is 37½ cents per hundredweight.

Let us look at the position with respect to United States tariffs on potatoes. The tariff on seed potatoes entering the United States is as follows: On the first 2½ million bushels of seed potatoes the tariff is 37½ cents per hundredweight. On amounts imported above this quota the tariff is 75 cents per hundredweight. In the case of table stock potatoes the United States tariff is 37½ cents per hundredweight on the first one million bushels imported and then the rate is doubled to 75 cents per hundredweight on all potatoes imported above the million bushel quota. However, the Americans protect their consumers by increasing the million bushel quota in poor crop years by the amount by which American production falls short of 350 million bushels.

I think it would be fair for us to examine what effect this tariff set-up is having on our trade. I have the figures here for the last four years, and I must say that they are startling. In the last four years Canada imported about three times as many table potatoes from the United States as we exported. Even if you add exports of seed potatoes, with respect to which we have a favourable balance, we find that we barely have a favourable balance so far as all potatoes are concerned, and only because we have a large favourable balance in the case of seed potatoes.

But when you take the dollar value we have an unfavourable balance. Although we did not buy quite as many potatoes from the United States as we sold to them we paid more for them. If you look at the figures for the first eleven months of last year you will find that Canada exported slightly over half a million bushels of table potatoes to the United States while we imported approximately 3½ million bushels, about five times as many. That, I contend, is a very unfortunate state of affairs.

The same sort of thing applies to potato products. Taking potato starch, the story is just about the same, and so on down the list through glucose and other products of potatoes. We have no protection and the Canadian market is being supplied to a large extent by United States producers. I am not contending that the most desirable thing would be for us to slap a duty on their potatoes equal to the duty on Canadian potatoes going into the United States, but I think this is a matter to which the Minister of Trade and Commerce (Mr. Howe) should give his attention. When the trade agreement between Canada and the United States is being framed it should be pointed out to the United States that if Canada is going to import large quantities of potatoes from the western part of the United States then an equal amount of Canadian potatoes should be permitted into the markets of the eastern states on the same basis. As imports from that country are now on a free basis, I think it would be only fair that such an agreement should be recommended.

It may be said that the Americans will probably not agree and will want protection for their growers to the extent of 37½ cents per hundredweight for the first million bushels and 75 cents per hundredweight for the remainder. In that case I think we would be justified in imposing a tariff on American table stock potatoes coming into the Canadian market. It is true that Canadians from Ottawa westward would have to pay a little more for their potatoes. Perhaps all Canadians would have to pay more for their potatoes by reason of such a tariff, but I do

not see that Canadians living in central and western Canada should complain about that when we in the maritimes have to pay more for manufactured products than we would have to do if they were not afforded tariff protection.

What would be the effect of imposing a tariff of 37½ cents per hundredweight on United States potatoes? It would mean that the maritime producers could compete against American potatoes as far west as Regina as easily as they can now compete as close to the source of supply as Ottawa. I point out this most undesirable situation to the Minister of Trade and Commerce and I hope that he, the Minister of Finance (Mr. Harris) and the Minister of Agriculture (Mr. Gardiner) will take some notice of the plight of the producers of potatoes in the maritimes.

The effect of the potato industry being chronically depressed is of course to depress our economy generally with the result that unemployment is very high in the maritimes at the present time. We have a chronic unemployment situation there. For years past it has been necessary for young people of the maritimes to go elsewhere to seek employment.

I do not want to take up the time of the house with a lengthy discussion of this problem at the moment. I merely want to point it out to the government. The seriousness of the situation will be realized when it is pointed out that maritimers are now forced to go as far away as New Zealand to seek employment. According to a news report the other day about forty maritimers left to seek work as lumbermen in the woods of New Zealand.

In my own city of Charlottetown the unemployment situation is almost as bad now as it was at its worst point last winter. It is expected it will even pass the point it reached last winter. I should like to quote a news report which I read this morning dealing with the unemployment situation in the Charlottetown area. It reads as follows:

> The total number of claims registered at the national employment office, Charlottetown, rose considerably during the past week, reaching a total of 2,265. Of this total 813 are residents of Charlottetown and vicinity, and 1,452 live in various parts of Kings and Queens counties. The local office serves Kings and Queens counties, while Prince county claims are handled by the national employment office at Summerside.
>
> Though the figures released by the Charlottetown office are quite high, they are not as great as they were on the same date a year ago. In January, 1954, 2,309 people were drawing benefit through the Charlottetown office, 44 more than at the present time. Officials of the local office say, however, that the registration of claims has not yet reached its peak, and may eventually mount to 2,500.

I feel, Mr. Speaker, that is a state of affairs that cannot be allowed to continue indefinitely. I would strongly recommend to this government that they take action to change the economic atmosphere in which we in the maritimes exist so that we, ourselves, can improve our economic position. I believe the obvious place to start would be by making more equitable and reasonable tariff arrangements with the United States on potatoes, coal and other products from the maritimes.

Mr. J. A. Byrne (Kootenay East): I am quite sure, Mr. Speaker, that if the hon. member for Queens (Mr. MacLean) is prepared to dig the grave of the Conservative party he would obtain some concession from the Minister of Finance (Mr. Harris) on the purchase of shovels. Some of the speeches I have heard since this debate commenced have left me cold, while others perhaps deserve some reply.

There was one speech that intrigued me, and that was delivered by the hon. member for Edmonton East (Mr. Holowach). He seemed concerned about the fact that a supporter of the government appeared at the opening of a public building in the city of Taber, in the riding of Medicine Hat. It occurred to me to ask him the obvious question, how many times has the leader of the Liberal party, Mr. Prowse, opened a provincial public building in Alberta? I believe there would have been very few occasions on which he was so honoured. When one looks through the estimates that were tabled the other day, Mr. Speaker, it is obvious that there has been very little patronage or favouritism towards members of the Liberal party in the matter of buildings.

I note that about $4 million is being expended in Alberta, but I doubt if there are more than one or two buildings to be erected in Liberal ridings. The same situation prevails in British Columbia. The opposition ridings seem to have been given every consideration. I should like to tell the hon. member that the men on the treasury benches are responsible for raising the money to take care of these public works, and almost invariably the opposition, including the hon. member, oppose the raising of taxes.

Mr. Hansell: Go on, spin it out.

Mr. Byrne: If the hon. member wishes further illustrations, I could accommodate him. There have been statements from some of the members of the C.C.F. party as well upon which I should like to dwell, but before I have finished I believe it will be discovered that my remarks will cause some considerable opposition from the other side, so I shall ignore the statements that have been made in condemnation of the government.

I should like to speak about some of the things that do not appear in the speech from the throne. I do not consider them sufficiently important to make them the subject of a motion on going into supply which would require a vote of confidence. There are, however, three matters that I should like to bring to the attention of the government at this time. The first concerns the superannuated civil servants whose rate of superannuation was set at the time the superannuation act was adopted in 1924. These civil servants have since retired on a pension that is much below the amount required to ensure them a reasonable standard of living.

Most of the large industries that have had pension plans in effect for a similar length of time, or even less, have made concessions to their pensioned employees and are now granting supplementary payments based on the cost of living as well as other factors. The government has, of course, introduced the Old Age Security Act which provides $40 a month for everyone over 70. However, those who are receiving a pension and supplementary payments based on the cost of living receive the benefit of that payment, but the retired civil servant has been given no compensating consideration. I would urge the government to give this matter serious consideration.

My next point concerns a similar subject, and I refer to the old age pensioners who are living on the basic grant of $40 per month from the federal government. Of course, in the three western provinces those in need receive a supplementary payment. In British Columbia it amounts to $15; Alberta, $15; and Saskatchewan $2.50. I do not say this in condemnation of the government of Saskatchewan, nor do I think that it is particularly praiseworthy when applied to the other governments. It might be noted that the former coalition government in British Columbia was the first to institute such a program of supplementary allowances.

The senior citizens association in British Columbia includes not only those who are in receipt of old age pensions, or pensions from corporations, but also those who are interested in promoting the welfare of the senior citizens. From a convention held in Vancouver last fall there was circulated the suggestion that there should be some way to give further assistance to those who do not have any other means of sustenance. That horrible expression, "the means test" was again brought into the limelight at the convention. It may not be wise politically for me to suggest that there should be some way of determining the relative incomes of people between the ages of 65 and 69 and after the age of 70, who are on means test pensions. It is pretty hard to tell people who are otherwise destitute that this is all they can receive while at the same time others are in receipt of fairly substantial incomes as well as the $40. When we ask for increased amounts for pensioners in need we now include all those affected, or about 800,000 people. Naturally this runs into a very large sum of money, no matter how small the increase may be.

I think we must face the fact however that there are people on whom the present situation works a very great hardship. I believe that in Newfoundland those who qualify under the means test receive $30 a month. While in western Canada persons may receive $55 a month, the difference in the ratio of the cost of living is such that perhaps those who are living in the western provinces are not as well off as those in Newfoundland.

The association in British Columbia has approached this question, and the Calgary branch of the old age pensioners society has written to all members of parliament. If I read their communication correctly it seems to indicate that they favour some way by which those who are in great need would be given further assistance.

The provinces have their responsibility, and any such program should be carried on in conjunction with them, leaving it to the local authorities to state who should receive further assistance.

The request has also been made that the age limit be reduced to 60 years. This would be highly desirable, of course, but it would add another 200,000 persons and bring the total to over a million. I am not prepared to go along with that suggestion at the moment, but I do believe that all pensions should have effect at the age of 65 years at which time most employees are being pensioned off, or retired without pension at this age.

I am not presenting a firm program. I am simply saying that, despite the fact that in the House of Commons any type of means test has been soundly condemned, and while it is highly desirable and gratifying that we should take this position, still there are people who are attempting to exist on $40 a month.

I believe the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) is indicating that it is a means test. I do not see how it could be interpreted any other way than as a means test. And of course this is what was indicated by the senior citizens association of British Columbia.

Mr. Thatcher: If that is what you said, I agree with you.

Mr. Byrne: The senior citizens in British Columbia have said that for those in need something should be done, and certainly the inference is that help should be given to those who are destitute.

Mr. Martin: I think my hon. friend would wish to make clear that he is of course in favour of the government's scheme of old age security on a non-means test basis—because the interruption has come from a quarter that holds another view.

Mr. Thatcher: Just the same view.

Mr. Byrne: Because of the war, and the subsequent inflation, those who had set aside some savings, shall we say, or had small incomes, have seen those savings depreciate in value. This has now been supplemented to the extent of $40 and, for the moment, I believe we have gone far enough in this respect. Certainly that would be my position, if I am to be consistent. I make no suggestion that a change should be made in this regard; but I do say that inasmuch as we have a means test in some of the provinces, those who have not benefited from this legislation should be given further consideration.

The suggestion may be made that this is a retrograde step—and, if it is, I am sorry. I do feel however that there are some who are in great need and we should do something to study their plight.

I was about to quote from a letter sent by the Alberta old age pensioners society, Calgary branch, to each of us. It states:

> We still place before you our goal of an adequate pension for those under the means test only, for those from sixty years of age. With present high prices, $40 monthly hardly keeps body and soul together. We believe the amount of pension should be increased to the really needy.

I have one other matter to discuss, and I warn hon. members opposite that this is something that has been on my mind several years, actually since becoming a member of this house. It is something to which I have given considerable study, although the way in which I express myself may belie that fact. It is entirely my own opinion, but I am substantiated by a very distinguished gentleman by the name of Chief Justice Sloan. Chief Justice Sloan was appointed to arbitrate the differences between the railway employees and the railway. I am sure this renowned judge is highly regarded in all parts of the house. I know he is highly regarded in British Columbia. Since he handed down his report, Chief Justice Sloan has been asked to head a royal commission investigating the forest industry in British Columbia. He is again acting to resolve one of the outstanding issues between railway employees and railway management.

If hon. members have not a copy of Chief Justice Sloan's award it is available to them. The whole tenor of his report is based on the fact that inequality has been caused by the maintenance of the Crowsnest freight rate agreement. Chief Justice Sloan recognized that in so far as the present grain rates assist the economy generally, the losses should be made up by the federal treasury rather than on the narrow basis that exists at the present time. He says that compared to comparable industries the railway employees lack a great deal in fringe benefits and that within reason the disparity should be removed. In the forthwith paragraph of his award he has this to say:

> A major factor contributing to the present serious decline in rail revenue is the distortion and imbalance of the freight rate structure due to the direct and indirect but consequential effects of the Crowsnest pass rates covering grain and grain products.

He points out that the railways have found it necessary, because of their greatly decreased earnings, to lay off 20,000 men. I think that is not entirely the picture. No doubt their attempt to modernize and bring in dieselization has had some effects, but the over-all effect has been as follows, according to Chief Justice Sloan:

> In 1940 net railway operating income for all Canadian railways (was) $74·1 million. In 1953 the same figure dropped to $55·9 million, a decrease of $18·2 million.

There was a 71·5 per cent increase in the freight traffic, but there was a revenue loss of 24·6 per cent. We all know that freight rates on other products, and certainly on consumer goods, particularly in British Columbia, have greatly increased. Our jobbers are paying greatly increased freight rates, yet, that is the picture. Chief Justice Sloan certainly had a point when he suggested that these losses should be made up from the general revenue of the country.

It might be interesting to note that in a recent statement Donald Gordon, chairman of the Canadian National Railways, said that 9 per cent of the freight traffic was handled by trucks in the last year, but they took in 25 per cent of the revenue. Therefore it is quite obvious that the railways are being required to carry the great bulk of the low rate goods, thereby suffering a loss.

It has been said to me since entering the house that there is one way to be assured of being elected, and that is never to vote against a grant and never vote for a tax bill. I believe there is one other way of being elected, and that is always be prepared to

condemn the railways. If you do that you will be assured of being elected. I would just as soon be right as to be elected. So far as the railways are concerned, I look upon them as I do any other industrial organization. They are made up of human beings, shareholders and employees. As Chief Justice Sloan has done, I am pointing out that the railroad workers have not enjoyed the same standard of living enjoyed by workers in other industries. He went to some particular pains to point out that this fixed rate was the main cause.

I think it goes a little further, in that the railroads have an additional handicap. They know that when they grant a wage increase they must ask for rate increases. They have to go to a board which is answerable to parliament, and certainly the political implications from all sides of the house are not just what hon. members would want them to face.

Be that as it may, I should like to run over the history of the Crowsnest agreement to show that it is not, as is commonly presumed, an agreement under which the railways are absolutely hidebound to maintain these rates. In doing this I am not presenting an argument to have the rates abolished. I am simply indicating that there should be some assistance from the treasury to make up what losses are incurred as a result.

It is all right for people to say that the railroads made this agreement, let them stick by it; that the railroads were subsidized when they were built across Canada; that they received land grants and millions of dollars. But the fact still remains that commodity rates do fluctuate on these lines and they must fluctuate, otherwise the railroads would be out of business. They are a very important part of our national economy and they must continue to operate. We should be ready to give them some consideration.

The historical background is that by agreement with the government of the time in 1897 a railroad was built between Lethbridge and Kootenay Landing. A subsidy of $11,000 a mile was paid, amounting to some $3,630,000, not a large amount. There is a fallacious argument currently being spread about that the Canadian Pacific obtained the great Sullivan mine as a result of their agreement to build the Crowsnest pass railroad. But that is not so. Shares in the Sullivan mine were purchased with the funds that would have been otherwise used for expansion or for the payment to the shareholders of the railroad. It was not until about 1920, I believe, when the Canadian Pacific got into the mining business. From my point of view, and from the point of view of many, it was a good thing that money was available at that time to develop this great industry of the east and west Kootenays.

At that time the company agreed to reduce rates on a great variety of articles moving eastward, articles such as farm implements, wire nails, fresh fruits and so on. Had this remained so, then perhaps we in British Columbia would not find our freight rates as high as they are today. Those rates were to be in perpetuity, but of course that was absolutely impossible.

The Canadian Pacific was of course the only railroad operating in the west at that time, and it agreed to lower the cost of shipping wheat to Port Arthur-Fort William by 3 per cent, so in reality the present rates are 3 per cent below what they were in 1897. Certainly in the face of rising costs this could not go on, and in July, 1919, the Railway Act was amended. The board of railway commissioners, as it was then known, was given the power to adjust rates when it was considered necessary. They did adjust rates. Grain was then part of their jurisdiction. Three years later, in June, 1922, a new act was passed and it was then that the rates on grain were set to conform with the Crowsnest agreement.

My time is short and I simply want to say that there is no use putting our heads in the sand and ignoring facts in order to justify something that is quite obviously incorrect. I am just asking the house to consider this proposal by Chief Justice Sloan. I realize that grain is an important factor in our national economy and that we must compete in world markets, but I fear that unless we do something like this to effectively reduce freight rates British Columbia will be almost excluded from the eastern markets. It is my opinion that the beneficiaries of this particularly low rate are the consumers of eastern Canada and consumers abroad.

In the few minutes that I have left I should like to compare these rates with rates in the United States and I shall take stations of about equal distances from the great lakes. The rate from Maple Creek to Fort William is 23 cents per hundredweight whereas the rate from Havre, Montana, to Duluth, which is within a few miles of the distance, is 73·4 cents a hundredweight. Not that this is part of my argument, but I think it should be remembered by some of the members from the prairie provinces when they compare the price of grain in Canada with the Chicago price. They should remember that they are not giving a true picture as to the relative prices. Those are just two shipping points, but similar

comparisons apply to westward movements. I do not say that the rates should be identical to those in operation in the United States, or that a subsidy should be based on these rates. I say that we should be prepared, from the federal treasury, to make up the losses so that the freight rates in British Columbia will not suffer, so that the commodity rates will not have to be measurably higher to make up for those losses and so that the employees of the railway companies may enjoy the same amenities of life as are enjoyed by those who are employed in other industries.

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): Mr. Speaker, I find myself in disagreement with several points made by the last two hon. members who have spoken. For instance, the hon. member for Queens (Mr. MacLean) this afternoon came out for a tariff on potatoes. From his constituency's viewpoint no doubt his arguments were reasonable, but I must tell him that we in western Canada can never get very sympathetic toward tariffs of any kind. As a matter of fact we think our present tariffs are too high. We should like to see them reduced. We feel that our cost of living is perhaps 25 per cent higher than it otherwise would be because of the tariff level. Thus while my friend the hon. member for Queens made an extremely interesting speech, I must say that I could not agree with that aspect of it.

As to the hon. member for Kootenay East (Mr. Byrne), I noted his remarks with regard to the Crowsnest pass agreement. This subject is extremely contentious out west but, by and large, regardless of politics, I think most westerners would oppose any change being made in the Crowsnest pass agreement. After all, it was an agreement. When the contract was signed between the railroad and the federal government, substantial concessions were given to the railroad, including not only the cash grants mentioned by my hon. friend but also land grants, natural resources and the like. For instance, today there are oil wells that the C.P.R. own and from which they are securing revenue, because of this particular agreement.

Mr. Byrne: Not that one.

Mr. Thatcher: There is also to be considered the fact that today the C.P.R. is dieselizing. No doubt in the next year or two, they will be able to haul, with their diesel engines, about twice as many carloads of grain as they were hauling previously with the old steam engines. Thus I hope in the future the railroads will find that their costs have been cut so substantially that they may be able to continue this agreement. Certainly before agreeing to any change I should like to see more tangible evidence produced by the railroads that they are operating under impossible circumstances.

This afternoon I should like to deal briefly with two specific subjects. On January 6 last, over the city of Moose Jaw, we had another near collision between an R.C.A.F. training plane and a Trans-Canada Air Lines plane. On January 10—I was not in the house at the time—the Minister of Transport (Mr. Marler) in answer to a question said he felt that reports of the incident had been greatly exaggerated. He went on to intimate, as I understand it, that he deemed our present air safety regulations to be fairly satisfactory. I feel that I must take exception to such a view, Mr. Speaker, and there are several facts I should like to lay before hon. members.

The house will recall that last spring the most terrible air tragedy in Canadian history took place over the city of Moose Jaw. The planes involved were precisely the same two types that were involved in the incident on January 6. Despite the fact that about 14 such incidents have been reported since the fatal crash a year ago, the minister still feels that the air regulations are satisfactory. It seems to me, however, that they could and should be improved.

As to the last incident, I notice that the view of newspaper editorials, as well as the official view, seems to be that the R.C.A.F. was largely responsible. The T.C.A. people particularly seem to take such an attitude, including the captain of the ship which was involved. Perhaps the R.C.A.F. was partly to blame. But personally I cannot help feeling that Trans-Canada Air Lines is not going to ensure the safety of its passengers over the Moose Jaw area, or over any other training area, simply by blaming the R.C.A.F. Certainly it cannot do so at least until the company itself has taken every possible precaution.

I should like to say this afternoon that in my opinion Trans-Canada Air Lines and the officials of the Department of Transport have been lax in taking certain elementary safety precautions. I admit quite frankly that in these matters I am a layman, but I have discussed them with R.C.A.F. officials in the Moose Jaw area. As a result of those discussions I have several proposals that I should like to give to the minister for his examination and consideration. If they are not feasible he will perhaps tell me why they are not.

In the first place I fail to understand why Trans-Canada Air Lines planes, when approaching the Moose Jaw area where there are sometimes dozens of military planes in the air at the same time, do not notify the control tower. If they would notify the R.C.A.F. control tower, the military planes could immediately be alerted. When the recent near-crash took place on January 6, the T.C.A. plane was flying four and a half hours late. As one R.C.A.F. official to whom I was speaking put it, "As far as we knew, that plane was somewhere over Vancouver". How can Trans-Canada Air Lines—whose primary consideration I know is the safety of its passengers—neglect to give such notification?

In the city of Moose Jaw for two and a half years Canadian Pacific Air Lines flight 61 has actually used the same airport as the R.C.A.F. When a C.P.A. plane approaches the airport, the control tower is notified. Immediately all military planes go south or north; they clear the air and they clear the runways. This system has worked out so well that since the airport was founded at Moose Jaw there has not been a single complaint from any C.P.A. pilot. I know that R.C.A.F. officials are willing—indeed anxious—to have a similar type of arrangement with Trans-Canada Air Lines. I therefore respectfully suggest to the minister that our safety regulations should be amended to require that Trans-Canada Air Lines pilots coming into a military training area notify the military control tower. That procedure is particularly necessary if the flight is delayed.

A second suggestion which has been put forward to me, and which seems sensible, is that Trans-Canada Air Lines planes, which normally travel at an altitude of about 6,000 feet, should go up to 8,000 or 9,000 feet when over a training area. I am given to understand that Harvard planes, or planes of that type, ordinarily do not fly at such a height. If this suggestion were adopted I think the possibility of a crash would be greatly lessened.

I would make a third suggestion, even though some of the authorities may not agree with it. On night flights some of the military authorities tell me it would be much safer if Trans-Canada Air Lines had more lights on the exterior of their planes. The blinker lights are sometimes a little hard to see, particularly if the weather is stormy.

Trans-Canada Air Lines is a wonderful company. However we are obliged to train NATO pilots and, whether we like it or not, I suppose we shall be obliged to continue to train pilots in the years ahead. While no regulations can be airtight, it seems to me that someone should tell Trans-Canada Air Lines that we expect their pilots to do more than just set their course and then fly in a straight line. Until that something more is done I do not feel that Trans-Canada Air Lines are taking all possible safety precautions. I think if these steps were taken, it would increase the safety of air travel.

The second matter I should like to discuss this afternoon has to do with the announcement made last Thursday by the Minister of Agriculture (Mr. Gardiner) to the effect that the government is now prepared to sell butter to hospitals and other institutions, up to 20 million pounds I believe, at 21 cents per pound less than cost. I take it that this action could mean that the Minister of Finance (Mr. Harris) may have to find about $4·2 million, if the whole quantity is sold. In many ways I think the Minister of Agriculture is to be commended for such an ingenious scheme. After all, butter is a perishable product and we cannot keep it indefinitely.

I notice that the Americans have been trying to dispose of their surplus by giving it away to foreign countries at cut-rate prices. I like the minister's proposal better. In this manner Canadians will get the benefit of the subsidy, particularly institutions which need it. At the same time I feel that this emergency step, which after all will be quite costly to the Canadian taxpayers, should cause us to re-examine our price support program for butter. I know that one hon. member after another taking part in this debate has urged the government to keep the present floor price on butter. I think the hon. member for Kent, New Brunswick (Mr. Michaud) made such a plea this afternoon. I also know that most members of the group to which I belong favour the government policy.

I wish I could be convinced in my own mind, Mr. Speaker, that the present floor price of 58 cents is a good thing for the producer. I may be wrong but, speaking only for myself, I fear that the floor price of 58 cents, which was originally introduced in good faith to help the producers, is not actually having that result. I ask hon. members to look at the facts for a moment. For the past several years our population has been growing by more than 400,000 people per year, but despite that fact the consumption of butter has been going down. In the same period of time the consumption of oleomargarine and other substitutes for butter has been going up by leaps and bounds. In other words, as I see the

problem the dairy producer is gradually being squeezed out of the domestic market.

What about our export market? Our export market for butter seems to have completely disappeared. I suppose the main reason is that the Canadian price is about one-third above the world price. I understand that New Zealand is laying down butter in Great Britain at approximately 40 cents a pound. I also understand that the Americans are considering dumping their surplus on the world market. Of course if they do that the world price will go down even further. To sum up the present situation, it seems to me that by virtue of our floor price the Canadian butter producer (a) has already been priced out of the export market and (b) is now being gradually squeezed out of the domestic market.

I fully realize that the dairy industry is very important. I think it employs about 17 per cent of our working people. I also realize that any sharp drop in the floor price of butter at this time would cause hardship. Yet the fact remains that the government's artificially supported price is today discouraging butter consumption at a time when we have a large surplus, and at the same time is encouraging the use of substitutes.

What should be done? The present government program has been quite costly to the taxpayer. I would not object to that if the dairy producer were actually being helped. Under these circumstances I think it would be a good thing, because I believe in reasonable support prices for farm products. But, as I see it, giving away butter to foreign countries or giving it away to hospitals and institutions can only be justified as an emergent, temporary solution to a difficult problem.

I think our dairy producers and the government simply must face certain hard economic facts in the country today. If our producers are to regain their market for butter, I do not see how it can be done other than by a reduction in price. I point out that last year President Eisenhower reduced the American butter floor price by a few cents, yet consumption of butter increased almost immediately by 7 per cent. As I say, speaking only personally, I believe that if a similar step were taken in Canada it would have the same result.

I wish to reiterate that I believe in reasonable floor prices for agricultural products. I believe that such floor prices are necessary for a stabilized agricultural economy. But where butter is concerned, the existence of substitutes has completely complicated the picture. I favour the retention of a sensible floor price for butter; but I believe if butter is to compete, the level of that floor price must be reduced in the not too distant future.

Mr. A. J. MacEachen (Inverness-Richmond): Mr. Speaker, I wish at the outset to associate myself with those speakers who preceded me in this debate in extending congratulations to the mover (Mr. Leduc) and seconder (Mr. Carrick) of the address in reply to the speech from the throne.

The contents of the throne speech have been fully discussed, and it is not my intention to repeat the deserved tributes paid to the measures it proposes for the consideration of the house. I derived satisfaction from the features of the proposed legislation which have as their object the strengthening of those safeguards against insecurity experienced by citizens of this country. Those of my constituents who make their living in the fishing industry will be gratified at the most welcome announcement that a new system is proposed for the improvement of the loan facilities available to fishermen.

Attention has been focused in the course of this debate on the impressive growth in the Canadian economy in the past decade. This growth has been reflected in a growing labour force, in an increased willingness to invest and, indeed, in an expanding volume of international trade and other signs of economic advance. Canada has a dynamic and expanding economy, and we all agree that continuous growth is essential not only to maintain the present standards of living but to provide for higher levels of income and employment opportunities for the Canadian people.

But it is also clear that an economy of growth is an economy of change; change through the appearance of new products which take the market away from older products, the discovery of new and more economic processes, the development of new resources and the putting into production of new inventions. This type of change has been termed in a broad sense technological development. But while technological change or development promotes the economic growth of certain industries, it does not occur without convulsive repercussions on other industries which must attempt, sometimes unsuccessfully, to meet new threats to their existence. Workers find their former skills no longer useful, and industries find their products no longer in demand. A dynamic economy will generally exhibit, simultaneously with rapid growth in certain sections, rapid and painful declines in other sections of the economy.

It should be the object of all interested in human welfare to attach greater importance to the undesirable effects of technological

change. We should try to consider the most desirable methods to use to overcome the painful readjustments, and if possible to incorporate such measures into social and economic policy. Unless such efforts are undertaken, certain groups will be called upon to shoulder the chief burden of progress which is of benefit to the community as a whole.

As a member from Nova Scotia I wish to take notice of two cases where technological change, in a general way, is placing strains, and may place further strains, on groups and communities. The report of the dominion coal board, recently tabled in this house, painted a very disheartening picture of the Canadian branch of that industry. Members of the coal board expressed their concern in several passages of that report. One quotation, however, will be sufficient to illustrate the awareness of the members of the board of the present stress on the coal industry. The board states:

> To all concerned or interested in Canadian coal mining it has become forcibly evident that the industry is presently facing conditions which threaten the very basis of its existence.

Those conditions threatening the very basis of its existence, in so far as Nova Scotia is concerned, can be briefly summarized. The first of these threatening conditions is the rapid rise in the pithead cost of mining coal in Nova Scotia. This rise is very disturbing. It amounts to $2.25 per net ton since 1949 for the major producer. Increasing production costs are, in my judgment, the principal problem to be faced in reaching proper stability in this industry.

It will be recalled that following an investigation into the coal industry conducted by the federal government, the Maritime Coal Production Assistance Act was adopted by this parliament. It was the purpose of this legislation to reduce production costs to the industry through the provision of loans for mechanization purposes. Much confidence was placed in this program as a means of permanent rehabilitation of the coal industry. Not only have the results of this program been disappointing but the chief operator in Nova Scotia, Dosco, has expressed doubt as to whether this program should be continued in view of deteriorating market prospects.

If mechanization, the installation of machinery, cannot be expected to lower production costs in the time and at the rate required, then an acceptable alternative must be found. The industry depends for its future on arresting the trend toward higher costs, and if possible effecting substantial reductions in present production costs. Otherwise coal will be unable to meet the competition of fuel substitutes, and will be clearly unable to improve its market outlook. It is to these acceptable alternatives, Mr. Speaker, that I wish to direct a few remarks.

The predominant characteristic of Canadian coal mining is that the labour bill makes up the major part of the total production cost. At the moment the wage bill or, if you wish, the income to the worker is such that about 53 cents of every dollar spent on coal production goes to the working force. If a wider definition is taken of the wage bill, then 60 cents of each dollar goes to the working force.

I am not suggesting that wages in this industry are too great; far from it. This fact, however, namely the proportion of labour cost to total production cost, is suggestive of a solution. This means that the working force in the coal mines, if properly organized and activated, could effect substantial reductions in total cost through their ability to control the wage bill which is such a large share of the total operating costs.

I am convinced that if coal miners were given an opportunity to influence production decisions, improvement would definitely result. The miners and their families are those most vitally concerned with the welfare of this industry. Seldom, however, is any thought given to the best method of harnessing this great human resource for the rehabilitation of the industry. I suggest that the dominion coal board, management and trade unions could examine with profit those instances, of which there are now a growing number, where this approach has brought about the kind of atmosphere that is conducive to improving production efficiency.

Turning now to the demand side of the industry, there are a number of hostile factors in operation. First, the United States coal industry, our historical competitor, is succeeding in bringing down production costs. Second, there is the competition afforded by residual oil and natural gas. Finally, there is the dieselization of the Canadian National Railways which, according to the dominion coal board, will have reduced this market for Nova Scotia coal by 600,000 tons in a period of four years, and will have dissipated it completely in a short period thereafter. This policy, undertaken in my opinion without careful assessment of its effects on the Nova Scotia economy, and without satisfying the public fully as to the source of fuel supplies in the event of war, will take away a large number of jobs in the coal mines when it reaches its culmination.

It may be that the future will vindicate the type of industrial statesmanship that has unremittingly pursued this policy in order

to effect internal business economies. I am sure, however, that the coal miners of Nova Scotia and the communities dependent upon this industry are also correct in their claim that this program should have been undertaken more gradually. If it must be regarded as an inevitable policy, it should have been undertaken more gradually and not at a time when the industry was meeting adversity from several other directions. Here is a plain case where a technological change is imposing a burden on one sector of the economy, though it is to be sincerely hoped that the over-all effects will be thoroughly beneficial.

Faced with rising pithead costs on the supply side, the industry is meeting this stiff competition on the demand side for the reasons I have outlined, and all of them are attributable to the technological change occurring in our dynamic economy. While it is possible to separate the supply and demand side of this industry for the purpose of analysis, both features are closely interrelated if only for the reason that the chief determinant of the ability of the industry to compete successfully is this very important factor of cost of production.

Very telling evidence of the rapid changes that have overtaken the coal industry is the fact that the royal commission which examined this industry so exhaustively some years ago did not foresee the new technological and economic developments. The dominion coal board takes notice of this situation by the following comment:

> However, new economic and technological development began to affect adversely the situation during 1952. It became evident that the Canadian coal industry was faced with problems which could not have been foreseen by the royal commission.

If new directives and new policy are to be shaped to meet new conditions—and I am not overlooking the important contribution the dominion coal board can make—then it might be useful to consider a new investigation of this industry, taking into account developments which began to become pronounced in the past two or three years. The only reassuring feature is that at the end of 10 years, so the experts claim, the fuel requirements of Canada can only be satisfied through increasing dependence on coal as a source of supply.

The interim period, from the present to that time of greater fuel requirements, will continue to be most difficult for this industry and the persons dependent upon it for a livelihood. The measures of government now in effect—the subvention policy and the Maritime Coal Production Assistance Act—may require strengthening to aid the industry over this period.

I now turn to another subject which is also in the category of change, in this case brought about to improve transportation facilities in Nova Scotia. This improvement was noted in the speech from the throne by the statement:

> Since you last met Cape Breton island has been linked with the mainland by the new causeway which will be ready for service as soon as the ship canal has been bridged.

I am sure my constituents in Cape Breton island would have been more pleased if His Excellency had chosen to say:

> Since you last met the mainland has been linked with Cape Breton island by the new causeway.

The completion of this project marks another step in the improvement of transportation facilities in the province of Nova Scotia. Though on official opening day its chief promoter in Nova Scotia, the late Premier Macdonald, will not be present to lead his 100 pipers into the county of Inverness, which was his birthplace and mine, there will be real satisfaction in the province as a whole to see his dream come true.

However, this new advance will affect detrimentally the three communities of Point Tupper, Port Hawkesbury and Mulgrave, contiguous to the causeway area. The chief source of employment in these communities at present is the rail and highway ferries operated by the Canadian National Railways and the provincial government from Cape Breton to the mainland. When these ferries are eliminated jobs will be lost, and unless quick action is taken a fatal threat will exist to the future of these communities. As the day approaches for the cessation of operation of these ferries, there is growing apprehension among the people concerned.

I do not believe that it was the intention of this government nor the intention of the government of Nova Scotia, when this project was inaugurated, that the citizens of these communities should bear the chief burden of an advance that will bring great benefit to the people as a whole. I believe further that when the action of any government is such that it threatens the jobs of any group of citizens, there is automatically created for that government an obligation and a responsibility toward those adversely affected.

I take note that the construction of the St. Lawrence seaway project will cause property damage or property loss, and I understand that it will be the desire to compensate for such loss. In our type of society job rights are as important as property

rights, and on behalf of my constituents in the Canso area I must urge upon this house and the government the need for action.

However, the impression should not be left that the citizens in these areas have been reluctant to face up to the challenge presented by this problem. Some time ago the residents of the four counties affected organized themselves into the Antigonish-Guysborough-Inverness-Richmond development association and have undertaken a study and investigation of what industry would best replace the jobs now threatened.

The most promising project now under consideration is the establishment of a paper mill. At present I understand that several firms are interested, and the fruition of this idea depends upon the availability of wood supply and electric power. The forest inventory undertaken jointly by the federal and provincial governments is now nearing completion, and it is to be hoped that its findings will be favourable for this area. Such an industry would solve in large measure the problem of these communities. It would provide stability for the agricultural industry of the adjoining counties, and would usher in a new era of forest conservation.

I had the opportunity just recently to discuss this problem with the premier of Nova Scotia and the Minister of Transport (Mr. Marler), and on previous occasions with the Minister of Public Works (Mr. Winters). I think it fair to say that all these hon. gentlemen expressed a real concern over this problem, and if I raise the matter again tonight it is because it is a matter of urgency where government responsibility must be recognized.

Mr. Speaker, I began these remarks by saying that the growth of our economy through technological development is necessary to maintain income and employment in Canada. Our search for further economic growth should proceed hand in hand with a full consciousness of the needs of those communities that will be affected adversely by developments that are in the general interest.

Mr. G. W. Montgomery (Victoria-Carleton): Mr. Speaker, in rising to take part in this debate I would draw attention to the fact that some hon. members have taken on new responsibilities and assumed heavier tasks. I extend my congratulations to them and express the hope that they may be blessed with good health and divine guidance in the performance of their high office.

May I extend my congratulations to those hon. members who sit in the House of Commons for the first time. I trust they will enjoy their labours in parliament and their association with other hon. members. I would extend congratulations, too, to the Acting Leader of the Opposition (Mr. Rowe) upon the excellent job he is doing.

While the hon. member for Kent, New Brunswick (Mr. Michaud) is not in his seat, I would congratulate him upon his remarks this afternoon, because in them he set out clearly the agricultural picture in his constituency. I assure him that the picture he painted with respect to the county of Kent is one that could be painted for the whole of New Brunswick. I would stand behind him and support him in the advice he has given the government, particularly when he says that the Department of Agriculture should review why the agricultural economy of New Brunswick is at such a low ebb.

I would also like to back up the hon. member in what he said concerning the farm loan board, and that applies also to what the hon. member for Westmorland (Mr. Murphy) said a few days ago; that when our farmers run into difficulties such as we have had in the past year, that just seems to be the time the farm loan board is not at hand, and the farmers cannot meet the regulations. In that connection the regulations concerning the farm loan board should be reviewed.

I must say, Mr. Speaker, that the speech from the throne did not fill me with a great deal of enthusiasm. I did not detect anything in it that would be a shot in the arm for our agricultural industry, which seems to be in such a disheartening condition. I did not see any change in policy by which the declining incomes of our agricultural workers are to get any relief. There was encouragement, of course, in the speech from the throne, which I was glad to see, for certain groups and I shall refer to some of them. For instance, I fully support the amendments to the War Veterans Allowance Act, and I hope they will meet the requests of the various members who have spoken in this house in the past, and of the Canadian Legion. The same remarks apply to the proposed amendments to the Blind Persons Act.

Another important piece of legislation was mentioned, namely the amendments to the Railway Act concerning the elimination of level crossings. I trust that these amendments, when they come down, will be broad enough to include underpasses, because there are many such in the country. I have some in my constituency, and there are several in New Brunswick, that are dangerous when one considers the number of vehicles and the amount of traffic on the roads. I hope these amendments will include underpasses as well as level crossings.

There are other items that I do not propose to take time to mention. However, in passing

I wish to say a word concerning unemployment. It is not a big problem in my constituency. The amendments to the Unemployment Insurance Act which were passed recently will be helpful, and we are thankful for them. But I refer to a certain group of people, labourers, in my constituency and in other constituencies in New Brunswick, who are now unemployed and for whom no provision is made. When he spoke the other evening the hon. member for Victoria, Ontario (Mr. Hodgson) referred to this group.

I refer to that labouring group who depend upon farmers in the summer and who cut pulpwood and wood by the cord in winter. They do not seem to come under the Unemployment Insurance Act. Through no fault of their own they find themselves out of work, and there is no place to which they can apply for relief except directly to the municipality. I can assure you that the rural municipalities are not adequately equipped, nor are they in any financial position, to handle this problem satisfactorily.

Rural municipalities that depend upon agriculture are facing a gloomy year. Costs of production have not declined, but the incomes of those groups have been declining, and in addition to the normal trend in the decline of prices, owing to the excessive rain we had in New Brunswick last year a great deal of the crop that was planted last spring has never been harvested. That applies to hay, grain and potatoes, and a large percentage of the crop that was harvested was below average.

Therefore our farmers are not too happy about their position. This is naturally reflected in the financial position of the rural municipalities. All you have to do is read the papers and you will see that the financial reports of those municipalities at the year end invariably showed increased bank loans, increased tax delinquent lists, and larger budgets to take care of health, education, hospitalization and relief.

The labouring group to which I referred gets no assistance from the federal treasury. There is no way at the present time for the municipality to be reimbursed from the federal treasury. Judging from various speeches that have been made in this house we can all agree that unemployment is chiefly and primarily the responsibility of this federal government. But here is a group who are discriminated against, if you wish to put it that way. It does sound like a harsh word, but they make their living by labour. They do not come under the Unemployment Insurance Act, but they do get hungry when they get out of work. They need help, and they have to go to the parish and the municipality has to levy taxes directly on the people, which in rural agriculture areas are not easy to pay.

Some method should be worked out between the Department of Labour and the provinces so the municipalities, especially the rural municipalities, could be reimbursed for this type of relief. I just mention that casually because, while it is not a large problem in my constituency, there are quite a large number of people unemployed for whom there is no statistical record, and no record of which this house or the country generally has any knowledge.

I should like to pass on to another matter concerning the farmers. I do not think I am using harsh words when I say that the farmers in general are not getting their share of the producer's dollar, or of the consumer's dollar, whichever way you wish to examine the situation. A good many of them do not hesitate to say they feel that this government's trade policies are neglectful of their needs.

Many products have been mentioned, and I have a favourite one, too, which is potatoes. The hon. member for Queens (Mr. MacLean) covered that ground very well; therefore I am going to curtail my remarks about potatoes. However, I do wish to say that I concur in what he said because I know he spoke in the interests of the potato farmers and agriculture in general down east. The potato farmers in the maritimes feel that they are in unfair competition with their United States neighbours.

I would like to go one step further than the hon. member went. I will give the house an example of just how unfairly the Canadian potato farmer is being treated under our present trade policy, in comparison with his United States neighbour. Within the last few days potatoes have been selling in Montreal for $2.60 per hundredweight. The American takes that $2.60, and because the Canadian dollar is at a premium it is really worth $2.67 to him. As the hon. member for Queens (Mr. MacLean) has explained to the house, it costs the United States potato grower nothing extra to produce potatoes for the Montreal market, but he receives 7 cents per hundredweight more than the Canadian farmer.

That may not seem much, but this is how it works out. It means an extra 4·2 cents on every bushel of potatoes. There are two different sizes of cars used to ship potatoes, one taking 700 bushels and the other about 550 bushels. In the case of the larger car it means $30 per carload which the United States farmer can take out of the Montreal market as a premium over and above what the Canadian potato producer receives.

I ask hon. members of this house if such a policy is fair to our Canadian farmers. By that type of policy the United States farmer is receiving protection on the Canadian market. We cannot expect the Canadian farmer to compete under those circumstances. I ask in all seriousness, as did the hon. member for Queens, that when trade agreements are being considered the eastern farmer and the potato farmer should not be forgotten. We do grow the best potatoes in Canada down there.

I am going to pass on to another subject, which concerns the obligation of the federal government to assist provincial governments in the development of natural resources. In speaking the other day the hon. member for Royal (Mr. Brooks) made out a strong case for assistance to New Brunswick in the matter of power. There is no need for me to review the case he made out concerning the immediate need of having cheap power available in New Brunswick in order that the people of our province may reap the greatest benefit from the development of our recently discovered base metal bodies, which are among the greatest on the continent.

Speaking in this chamber a little over a year ago I tried to impress upon this government the urgent need of having power available in New Brunswick at a lower cost. This province is already burdened with a debt which is beyond our ability to pay. What I said on that occasion still stands, except that I can now add the encouraging fact that surveys in my constituency, to which I referred, have shown that we have one of the most important manganese ore bodies in Canada or the United States. The latest information is that within the next 15 or 20 months a concentrate mill will be ready to go to work. They are going to develop that mine.

I am not speaking now about my own constituency, as this is a matter which cannot be confined to any particular area. It is our desire in New Brunswick, and I think I can fairly say that this applies to the maritime provinces, that we get the most out of what we have in the way of raw materials. It is our belief in New Brunswick that great advantage will be derived from these ore bodies if power is made available at a reasonable cost. If such power is available there is a possibility of a large smelter being erected in the Bathurst area. I am sorry the hon. member for Northumberland, N.B. (Mr. McWilliam) is not here, as I think he would back me up in this. If that smelter is established it is going to attract other industries such as producers of fertilizers, ammonium products, sulphur phosphates, potash products and others. But the one thing that is needed more than anything else is power. We need assistance in order to be able to develop our natural resources.

I should just like to add that any national policy of assistance in the development of natural resources should permit a province to develop those resources which are the most beneficial. The only large power potential in New Brunswick is in the Saint John river basin. Although we hope there will be others in a few years, at present nothing else has been surveyed. The most important site there is the Beechwood site.

The most important item in connection with the development of this site is the cost, because that is what will determine the price to the consumer. I think it can be said that New Brunswick has lagged behind in industrial growth. We were one of the original partners of confederation. Without New Brunswick and the leading part played by the outstanding public men of that day there might never have been confederation. Whether it was right or whether it was wrong is not the question; the fact is that this original partner has not fared too well as a result of confederation. As a representative from that loyal and grand old province I feel that I need make no apologies when I come before this federal government and plead for help.

I am not asking for a handout on behalf of New Brunswick. Assistance does not necessarily mean a grant. But I would like the house to consider what central governments have done for other provinces during past years and what the present government is doing today for other parts of Canada. In the light of that, a grant toward capital expenditure would be nothing less than fair.

Especially is this evident from a survey or a perusal of the projects in which this government has helped other provinces, as enumerated by my friend the hon. member for Royal the other day. Others can be added. There was the St. Mary's dam. There was the large write-off to the provinces of Saskatchewan and Alberta in the agreement writing down their debts in 1947. There was the assistance given to the railroads of this country to open up mining areas. There is also the big expenditure toward the construction of the St. Lawrence seaway, which was also mentioned by my hon. friend. Indirectly, if not directly, this assistance has helped to develop the resources of those provinces. It seems to me there is all sorts of precedent for it.

I agree, of course, with what the hon. member said the other day. I am not objecting, and we in New Brunswick do not object,

to the people in these other provinces getting this help because we can see that, by getting that help, they have become better; the provinces have become bigger; they have grown faster; their industrial life is now of a higher standard. All we say is, give us some aid in the same way you gave them aid.

As I said a few moments ago, assistance may be given in various ways. If assistance is given to a province so it can develop its natural resources, it becomes a better member of the federal union; more revenue comes back to the dominion treasury; more work is provided. Just a few minutes ago we heard from the hon. member for Inverness-Richmond (Mr. MacEachen), who told us that the situation in his province, as a result of technological advancement, is not good and that he is looking to this government to do something. I think he has a right to do so. We in the small provinces must get assistance or we cannot afford to develop. It seems to me that one of the main functions of the central government is to look over the family in the union and help it here and there in order to keep all the members prosperous and keep the federation of provinces in something of a fair balance.

During the past two years our province has regained the confidence of the investing public. Nevertheless, for a small province such as ours to finance a large power development such as that which we need, at a reasonable cost, is a handicap. At the present time our capacity is approximately 105,000 kilowatts. I am informed that reliable engineers estimate that by 1959, just a mere four years from now, if we are to have development of these mines which we want to get, together with the natural growth of domestic use we shall require 215,000 kilowatts. I might add that those estimates were made before the last announcement of the discovery of this manganese ore.

There is just one thing more I want to add, and that is this. There is no secret about the fact—and it is accepted—that hydro can be developed at a cheaper rate than can thermal power, which is the only alternative. This so-called Beechwood site will develop 135,000 horsepower. It has been thoroughly investigated not only by our own competent hydro engineers but by such outstanding authorities as the Power Corporation of Canada, the consulting firm of H. G. Acres Company Limited and the Shawinigan Engineering Company Limited. It has been found to be feasible as a good power site, and a recommendation for its development is on paper.

This is not the only site that will need to be developed. Our power requirements are going to grow. Thermal plants will have to be built. If the Passamaquoddy project ever becomes feasible the power produced will be needed by the state of Maine, the province of Nova Scotia and ourselves. Someone has said, "Why not wait for power to be developed by atomic energy?" I may say that I am reliably informed that it will take 15 to 20 years to develop power from atomic energy that will compete with hydro.

In the meantime what are we going to do? Are we going to sit down and allow all our raw materials to be shipped out for processing in the United States and other places? We need power now. We want it available in large quantities by 1957. We want that smelter in the Bathurst area. We want that sulphur extracting plant in the Newcastle area. We want those other factories that go along with them. We also want manganese to be mined and smelted in the Saint John river valley.

The other day my friend the hon. member for Royal pointed out that manganese is extremely important in the manufacture of steel. But what makes this ore body more important than others in Canada is this. Without the close proximity of sulphur for the processing, manganese cannot be smelted at reasonable rates. At the present time I understand that sulphur has to be brought in, and that the two minerals cannot be found close together. In New Brunswick we have them in close proximity. In my hon. friend's constituency of Northumberland, N.B., there is sulphur and in my constituency, which is a mere 50 miles away, there will be the manganese.

The fact that those two minerals are found so close together is going to make the project profitable and worth while. That is the information I have. This is why we want to be able to provide power for the smelting of those minerals. It is going to help our railroads and it is going to help our ports, not only on the Saint John but in the Newcastle-Bathurst area on the Miramichi. It is going to give many people work. It is going to make us in New Brunswick feel as though we have a rightful place in the economy of this country. Above all, it will provide many markets for our agricultural products here at home.

I see that not all the members for New Brunswick are in their seats, Mr. Speaker. I wish that they were, because I am going to extend an invitation to all hon. members from New Brunswick who sit in this house to speak up for their native province, to get behind this request on behalf of the people of New Brunswick, and to convince this federal government that we need this

power and that we need their backing in order that the initial capital expenditure will not be too great. I am satisfied that the hon. member for York-Sunbury (Mr. Gregg), New Brunswick's representative in the cabinet, is doing all he can, but let us not leave it all to one man. I do not think he can do it alone, but by the united efforts of all members from New Brunswick, supported by members from our sister province, I am satisfied that the government will not only be convinced of the justice of our cause but will grant our request without delay. I am a bit surprised at the silence until now of hon. members from New Brunswick.

An hon. Member: Including the minister.

Mr. Montgomery: I ask them, do you not want to see the people of New Brunswick share in the progress of Canada? Do you not want to see our resources developed to the greatest possible extent within the boundaries of our own province? Do you not want to see important smelters and other industries established at home? Do you not want to help our railroads and ports? Above all, do you not want to give the same opportunities to our young people at home as, in the last few years, they have had to seek in other provinces or foreign countries?

I am satisfied, if the request for assistance from the people of New Brunswick is not favourably considered by the government, that the people there will look upon the silence of hon. members from that province and the lack of a united front as one of the reasons such assistance was not forthcoming. Mind you, every consumer of electric power is interested in this matter, because the price at which power can be delivered to the consumer is going to mean a great deal to these people in the next few years. Everyone is an interested party.

If assistance in a material way in the initial stages of our power development is favourably considered and immediately advanced, in the next five years it will benefit nine out of ten families in our province. Not only will it do that, it will also benefit a great many people in our sister provinces because work will be provided for them too. It is no secret that negotiations have been in progress between the provincial hydro commission and officials of the federal government. I hope such negotiations will be satisfactory and helpful to our province, and that our people will be treated as people in other provinces have been treated in the past when assistance was needed. You know, it makes no difference under what name the aid is given. It all adds up to the same thing—assistance.

Finally, I join with the hon. members for Royal and Saint John-Albert, and those other members who I hope will rise and take a stand on this matter before the debate is over, in sincerely and respectfully asking the federal government to give favourable consideration to New Brunswick's request for assistance in the initial development of hydro-electric power at Beechwood, which has been found feasible and has been recommended for immediate development. I am satisfied that a favourable capital set-up in the development of this project will be a means of helping the people of New Brunswick help themselves; and I can assure you, Mr. Speaker, that if they get that help they will be willing to go on.

(Translation):

Mr. J. O. Gour (Russell): Mr. Speaker, I wish to congratulate the hon. member for Verdun (Mr. Leduc) as well as the hon. member for Trinity (Mr. Carrick) on the fine speeches they delivered while moving and seconding the address in reply to His Excellency's speech. I do wish however to congratulate more particularly the electors of these two constituencies for choosing, as their representatives in this house, men who are so highly qualified and I have no doubt that they will fittingly represent their respective constituencies and render them, and their country, great service.

I am pleased to be in a position to congratulate the government and especially the Minister of Agriculture (Mr. Gardiner) for the decision to sell, at reduced prices, the surplus 20 million pounds of butter to approved institutions such as schools, hospitals, old folks' homes, etc. I would like the same offer to be made to the Red Cross, to women's institutes, to houses of refuge or Sisters of Charity so as to help all these organizations which are of such great importance for the aged, the sick or the needy. After all, the government has to help them in any case. In this way, these less fortunate citizens would enjoy good butter, a product of superior quality which would replace all those substitute products they are being served now. You will no doubt have read with the same surprise as I did some statistics published in the January 26 issue of the *Citizen*. It was mentioned there that the Ottawa Civic hospital buys about 4,000 pounds of butter and 30,000 pounds of margarine annually, butter being served only to private room patients or those on a special diet. As far as I am concerned I should prefer that no margarine be used in hospitals. If they must use that product, then it should be in the proportion of 4,000 pounds of margarine and 30,000 of butter. In this way all the sick, the aged and the needy could enjoy butter.

Mr. Speaker, I have a suggestion to make to the right hon. Minister of Agriculture (Mr. Gardiner), which I believe would supplement the happy initiative that he has taken about butter. Here it is: he should buy five million pounds of cheese at the present price and resell it to these institutions, granting them a rebate of approximately 18 to 20 cents a pound, and then request that they serve good Canadian cheddar at all meals.

This same food product, together with a glass of milk, should be served free of charge twice a day in all our teaching institutions. For that purpose, I call upon our devoted and distinguished Minister of National Health and Welfare (Mr. Martin), who could negotiate agreements with provincial governments inviting them to pay 50 per cent of the expenses this would involve, while the federal government would pay the other half. This would improve the health of our school children.

To the right hon. Minister of Agriculture, to the right hon. Prime Minister (Mr. St. Laurent), to our Minister of Finance (Mr. Harris), as well as to the whole cabinet, I have another suggestion to make, one I have made in the past. In my opinion, the government should levy a sales tax of 10 cents a pound on oleomargarine and on all other butter substitutes. In return, the government could grant to all creameries a 10-cent subsidy per pound of butter and maintain the ceiling price, of 58 cents a pound, for butter, to dairy farmers. With the storing costs, which average about one cent a pound, butter would then sell to wholesalers from 48 to 50 cents, according to the cost of transportation and storing, and the latter would have no right to retail butter at more than 51 to 55 cents a pound, according to costs of transportation and storage.

In this way the consumer could get butter at 10 cents less a pound. This tax on margarine would serve to cover part of the expense and the less fortunate among us could buy good butter very cheaply. Canadians could buy an excellent product while helping the farmers of this country and the charge on the government would not be excessive. That is very important, for it must be remembered that, if our agricultural class is not prosperous, the effects are felt throughout our economy. Our farmers are the heaviest buyers, per capita, of manufactured goods, for example of building materials or materials used in the repair of houses, barns, sheds, pig sties, chicken coops, garages, silos, fences and bridges, or again of farm machinery, automobiles, tractors, furniture, etc.

Certain hon. members would no doubt be surprised to learn that $6,000 worth of agricultural machinery of all kinds is required to farm 100 acres, and that any farmer who wants to buy a complete set of modern machines, such as combine, baler, ensilage cutter, milking machine or refrigerator, must part with $12,000 and more. Then too the farmer needs house furnishings like any village, town or city dweller.

If I am saying this, it is not because the constituency of Russell, which I have the honour to represent, is rural. On the contrary, though it has been rural, it has become 75 per cent urban. No, I am speaking in this way because I think that it is for the good of all Canadians.

Mr. Speaker, I wish to congratulate the Minister of Northern Affairs and National Resources (Mr. Lesage). We are proud of him and of the fine work he has done so far.

I think too I should congratulate the Prime Minister (Mr. St. Laurent) for his acumen in choosing his ministers.

Like other members, I regret the departure of some ministers, these most distinguished and qualified men, such as the Hon. Lionel Chevrier, former minister of transport, the Hon. D. C. Abbott, former minister of finance, and the Hon. Brooke Claxton, former minister of national defence.

However, our great and noble Prime Minister (Mr. St. Laurent), guided by divine Providence, made a choice of other ministers who, in my opinion, will prove to be an asset to the whole country.

I should like to suggest to the Minister of Northern Affairs and National Resources (Mr. Lesage) that he step up his reforestation program. In my opinion, the amounts devoted to this purpose by the federal government should be increased fourfold, and provinces should be requested to do likewise, besides getting county and township councils, as well as individuals, interested in reforestation and water conservation. I previously explained this here when I suggested a plan for the conservation of the water of the South Nation river which flows through about 15 counties in the eastern part of Ontario, making what is called the Ottawa valley.

I wish people who practise reforestation were exempt from land taxes; further, the money they spend on reforestation should be deductible from income tax, when they are called upon to pay it. These forests should be inspected by experts appointed by both federal and provincial governments and when time came to fell the trees these experts would point out the trees to be felled, as well as the trees to be replaced at that time. The owner of timber land could

be taxed on the cutting, according to a reasonable standard laid down as well for land taxes as for income tax purposes.

(Text):

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

(Translation):

Mr. Gour (Russell): Mr. Speaker, I would feel remiss in my duty if I did not call attention to the insult uttered against the province of Quebec by the hon. member for Burnaby-Coquitlam (Mr. Regier). Although I do not live in Quebec, my constituency is adjacent to that beautiful province and I have several relatives, even brothers and sisters, among those charming Quebec people.

I have visited that province from one end to the other, as I did for all the rest of Canada, except for Newfoundland, where I would like to go shortly, because judging from the congenial and intelligent members sent to Ottawa to represent that province, I know that I shall not be disappointed.

I must tell my hon. friend from Burnaby-Coquitlam that he is completely ignorant of the character of the Quebec people, because there are no better, more intelligent and hospitable people in Canada. True, there are always some black sheep and I am wondering whether a few such from his own province are not now in Ottawa. If the present premier of Quebec has chosen to stress different points or give different interpretations of autonomy in order to have his candidates elected, a tactic of which I personally disapprove and which is certainly detrimental to good understanding and nefarious to the province of Quebec, it does not mean that he is a bad Canadian.

Does not each province and each political party have its own way of conducting elections and of submitting its program? Yes, Mr. Speaker, even the province of Ontario, one of the finest, not only in Canada but in the whole world, is inhabited by honourable, peaceful, intelligent and honest citizens, the great majority of whom are of English descent. I recognize that there are also some black sheep among them, just as there are in the maritimes and in western Canada. During my trips across Canada, I met honest, kind and intelligent people everywhere. This is not the place to disparage one province or another. We are indeed fortunate in living in the greatest country in the world. In fact, we are truly privileged in having good citizens, from Vancouver to Halifax, and in Newfoundland—people who are the descendants of almost every race in the world, and who wish to live in harmony. The good I have to say about the other provinces, I also wish to apply to Quebec, where racial and religious matters, school rights and the rights of minorities are treated with more fairness than anywhere else in Canada. I would ask all hon. members to urge their own provincial governments to imitate Quebec as far as justice towards minorities is concerned.

Mr. Speaker, I would be angry with myself if I did not speak of the matter so often discussed by the hon. member for Winnipeg North Centre (Mr. Knowles), namely divorce, to which I am absolutely opposed. Marriage cannot be likened to an exchange of houses or automobiles. Divorce is the ruin of the family. What happens to the children of divorced people? Divorce is a moral evil which is greatly detrimental to the country. Married people should learn to put up with each other, to live together and bear their cross. Of course, when people do not want to understand each other, it is easy to find means and ways of divorcing. Most often, men are the guilty parties.

But, since our legislation permits divorce —and I congratulate Quebec and Newfoundland for not accepting that legislation—and since as Canadian citizens, people in those provinces are entitled to submit their case to the federal government, in my opinion no court could settle those cases better than the Senate and the House of Commons. The Senate committee, where the requests are first dealt with, is made up of Canada's most honourable citizens, lawyers, notaries, doctors, businessmen and farmers, men devoted to public service, who have wide experience as far as race, religion and all classes of society are concerned. They know the laws and customs of the land, and are, in short, honourable men, since they have been chosen to sit as senators, independent for life of politics and the powers of finance. No abler group of men could be found to pass on matters of divorce. They have all the time they need to review such cases, since we sit from six to eight months a year. For my part, had I a case to be tried, I would be happy to submit it to the senators. I am convinced that those who apply to them obtain justice.

I would also like to thank the Minister of Transport (Mr. Marler) and the government for the improvement made to the airport at

Uplands and for their decision to spend over $3 million to make this an ultra-modern airport, something which is quite called for in this national capital of ours.

I also wish to thank the Minister of National Defence (Mr. Campney) for his decision to build a military hospital at a cost of about $9 million at Billings Bridge. As it is the location of the Rideau health centre for ex-servicemen it is extremely well chosen. It provides all the necessary comforts to our convalescing veterans. Canada owes them all that can be done for their benefit.

While I have brought this matter to the attention of the Hon. Brooke Claxton, then minister of national defence, and of the present minister (Mr. Campney) on more than one occasion, I wish to come back to it today, in the house. I repeat that there are no better locations, with all the required space and protection from atomic attack, for the proposed national defence headquarters than the township of Gloucester, in the constituency of Russell. There are so many favourable sites that I shall refrain from singling one out. I am of the opinion, in any event, that in addition to the factors I have already mentioned, there is there all the space necessary to build houses for the employees who would like to live close to their work. This could be done at reasonable prices and I am sure that lots there would sell at one-tenth the price of those in centre-town.

We are certainly in need of housing, as evidenced by the fact that in 1954 the population of the constituency of Russell increased by 5,000, including 3,605 in the section annexed by the city of Ottawa.

I wish to congratulate the Postmaster General (Mr. Cote) for the great improvements he has achieved in his department by providing a much better postal service. We are glad to have so well qualified and devoted a minister. However, I should like to make a couple of suggestions to him. First, he should so change the regulations that where 10 per cent of the population is English-speaking or vice versa, the postmaster be bilingual. At the present time, the regulation lays down 20 per cent for this privilege. This change would make for better understanding and facilitate the harmony existing between the two great races in this country. My second suggestion concerns postmasters, who receive salaries ranging from $500 to $900 annually, while supplying the premises and catering to the public for 8 or 9 hours a day during 6 days of the week. I suggest they be given better salaries. Employees of the Post Office Department and myself will have great difficulty in finding premises and employees ready to accept such employment in my constituency. At the present time, some of these offices have been closed for two or three months in my constituency. In fact the last one closed has been so for more than three months and we could find no one to accept the salary offered by the department.

In conclusion, I should like to ask the Postmaster General and all the other ministers who have to decide on sites for the construction of buildings for their departments to pick sites in the constituency of Russell where they will be welcome and where they will find the localities best suited from all points of view.

PRIVILEGE

MR. DUPUIS—REFERENCE TO NEWSPAPER ITEM

Mr. Hector Dupuis (St. Mary): On a question of privilege, Mr. Speaker—

(Text):

Mr. Deputy Speaker: I understand the hon. member is rising on a question of privilege?

Mr. Dupuis: Yes, Mr. Speaker. I would like—

Mr. Hodgson: He spoke for 45 minutes the other night.

(Translation):

Mr. Dupuis: I will not make another speech; don't worry. I would like to make a correction with respect to a speech I made in this house on January 28 last. In a news item appearing in a Montreal paper, I was reported to have said that provincial governments' spending does not exceed the amount of the federal grants for hospital construction and medical services. I say, as I said before, that the subsidies granted by the federal government to the provinces amounted to $167 million for the period from 1948 to 1953, and the provinces were to spend an equal amount of money for the same purpose. I don't know what the other provinces' expenditures were, but I do know that, as far as the province of Quebec is concerned, the amount earmarked for that purpose was, in that province, greater than the amount granted by the federal government.

I only wanted to straighten out the matter, so that there will be no misunderstanding as to what I said.

(Text):

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Rowe, and the amendment to the amendment of Mr. Coldwell.

Mr. G. H. Castleden (Yorkton): Mr. Speaker, there is one matter with which I wish to deal briefly before saying anything on the speech from the throne. This is a matter which I am sure will have the support of all hon. members from the province of Saskatchewan, irrespective of where they may sit in this house. I refer to the jubilee celebration of the entry of Saskatchewan and Alberta into confederation.

Fifty years ago these two prairie provinces were admitted as constitutional members of the Dominion of Canada. We are proud of Canada, proud of its record, proud to belong to Canada and to be counted as citizens of this great dominion. Our story of the prairies is one of the moulding together of a cosmopolitan group of people from almost every country of the old world, from Europe and Asia. It is a story of how they pioneered that land together, met and overcame the difficulties and the problems of developing it into great provinces making a great contribution to the Dominion of Canada.

This year we are celebrating the fiftieth anniversary, and I merely want to say that Saskatchewan invites everybody in Canada, including all hon. members who can possibly come to that province this year, to visit the prairies and help us pay tribute to the great pioneers, those people who through their toil and courage have given to the people of Saskatchewan and Alberta, and Canada as a whole, a great heritage and a great example.

The throne speech of 1955 has been called many names. It was aptly described by one journalist as a rather dull chronicle of stale news. As a matter of fact it is, I believe, a masterpiece of evasion and indifference in so far as basic remedies for those economic problems which face Canada today are concerned. It seemed also to be studied in its efforts to pass over lightly some very important problems such as unemployment and the declining farm income, things which face the Canadian people as a whole and which so often seem to be so far from this chamber.

Last year the same attitude was evident, and we attacked that attitude. At that time we asked that steps be taken to take care of the situation. We were told that unemployment was just seasonal and would rectify itself when summer came and the ice moved out of the great lakes and the St. Lawrence river. But this winter unemployment is even worse. In that portion of Canada from which I come the unemployment situation is at least 50 per cent worse than it was a year ago. The 60-day extension of unemployment insurance benefits, which everyone in this house supported and endorsed, is just a salve to help those unfortunate unemployed people through a couple of bad months in the winter time. It is no substitute for employment.

The people are eagerly looking for something to be done to assure them of some possibility of exchanging their labour for a living. Every trade union brief presented to the government in the past year has emphasized the matter of unemployment, yet no effective measures seem to have been taken. As a matter of fact, I personally am beginning to doubt whether this government has a cure for the problem short of a threat of war.

Policies dealing with trade and price control, which affect the cost of living, the problems of taxation and immigration—all these things affect the Canadian economy. They are the responsibilities of the federal government. The provincial governments can do very little about them; but if as a result of these policies half a million people are unemployed, then the responsibility for employable unemployed rests upon this government whose policies to a large extent have created the situation.

Instead of accepting that responsibility, what do we find? The government says to the municipalities, "We take no responsibility for the unemployed employables beyond the Unemployment Insurance Act". Is it going to be a repetition of the old story; that the municipalities are going to be asked to share this burden, with small grants from the provincial government, and they shall have to carry it?

That is just not good enough. The federal government receives approximately 72 per cent of the taxpayer's dollar. This government is responsible for the policies which largely cause unemployment in this country; and I repeat, this government must accept

that responsibility. The convention of mayors of Canada pointed this out to the officials of this government. I can assure the government that unless they take more effective action to restore employment in this country there will be a storm of protest from all parts of Canada, and it will be a united protest. Half a million unemployed is not a healthy sign in a country such as Canada, with all its resources. Since the war we have brought a million people to this country. We heard members this afternoon tell of young men in their province going as far away as New Zealand in order to obtain employment in the lumber camps of that country.

When people are unemployed for any length of time they are confronted with serious problems. A man may have invested his life savings in a home, or he may be building a home. If unemployment strikes for a few months he can carry the burden, but when it continues beyond that length of time and he finds he must move away from the district in order to get employment, —if he can find it—he stands to lose his whole investment. It is a much greater loss than just being unemployed. It is too serious a thing to be taken lightly. It is a serious reflection on our economy that people can enjoy prosperity and employment only in wartime. If our economy cannot provide employment for the Canadian people it must stand condemned.

In the field of agriculture we have the same problem. In the presentations made to the government by various farm organizations, by the federation of agriculture, by the farm union organization, which is a growing, young and vigorous organization trying to unite the farmers so that they can speak with one voice, reference is made to some of the things which are basically wrong. They ask the government to take steps to remove some of the injustices and give some stability to the agriculture industry of this country so they can look forward to making a living in that industry. This is an industry upon which a large percentage of Canadians depend for their existence.

There is one thing common to all these protests. They state that their costs of production are continuing to rise while the returns for the things they produce and sell are constantly and rapidly declining. There can be only one final result if there is a continuation of that trend. When your returns keep lessening and your costs of operating continue to rise, as soon as they cross one another you are facing bankruptcy. They are facing this problem seriously; they are looking for some effective solution.

In many provinces of this dominion agriculture is the main industry. I believe it is safe to say that in our province over 80 per cent of the people obtain their living from agriculture. Unfortunately during the past year we were faced with a serious problem created by rust, and then frost. The income of the farmers of that province was reduced last summer by some $300 million. This is bound to have its effect upon the whole economy. Taxes cannot be paid; the provincial government is going to suffer from lack of income, it and municipalities are going to be unable to provide services to the degree they have in the past.

The farmer is trying to obtain some stability. He does not mind facing the ordinary difficulties with which nature may confront him. He has been brought up on that kind of thing, and he does not mind facing it. But he wants to know that if and when he does produce a crop as a result of his efforts, he can look forward to obtaining a proper return for his labour. If that is established, then he can weather the storms of a year or two of difficulty.

I was interested in reading the recommendations contained in the submission to the government of Canada by the interprovincial farm union council. They made reference to the difficulties which the western farmers were having in making both ends meet, and on page 3 of their brief they stated:

> According to the federal bureau of statistics, from July, 1951 to October, 1953, the wholesale price index of manufactured goods declined by 15·6 points (1935-39=100). But the farm products wholesale price index dropped by 68·6 points in the same period—a difference of 53 points. This trend of falling farm prices has continued in a lesser degree during the remainder of 1953 and for 1954.
>
> Farm people themselves, and those who are familiar with agricultural conditions, cannot help but be disturbed by diminishing farm income compared with abnormally high operating costs. Measured in terms of purchasing power—as represented in cash obtained from the sale of farm products—the farm dollar is worth less than it has been for a good many years.

It is to this that the farmer looks. He wants it done now, rather than having to wait. Each year creates new problems and makes it more difficult. A man finds he is going deeper and deeper into debt as a result of his operations. Unless there is some assurance of the forward pricing of commodities, unless there is some hope that he can plan his production so as not to lose more by going into production, the farmer will find himself in difficulty at almost every turn.

He is told that with hogs bringing 32 cents he should be feeding his grain to hogs. He goes into the raising of hogs; then a few months later when he brings the bulk of his

hogs to market he finds there has been a decline in price and instead of 32 cents it is down to 20½ cents. The price is below what was supposed to be the floor price. A break of 30 per cent is just not good enough. That drop of 30 per cent wipes out any possibility he may have of getting some return for his labour.

There are floor prices but many of them are too low, as was pointed out in this brief. Frequently a price is fixed for A hogs, but there is no floor price under the others. The spread between them constantly varies, and becomes so great that the production of second and third grade hogs means practically losing money. This is also pointed out on page 10 of the brief, where it states:

> The government guarantees 38 cents per dozen at point of storage to those who store eggs, and for all practical purposes this is the end of the guarantee. Consequently, the producer receives whatever price is paid by the egg stations and we doubt very much if the country dealers will pay 32 cents a dozen to producers, as the Minister of Agriculture suggests they should.

The thing that is needed here is a guarantee to the producer, not just the packing company. Consumers know this as well, but farmers note that in spite of the deep decline in the prices they are getting for livestock—in 1951 you got $240 or $250 for a good steer which today can be bought for $100, a drop of almost 60 per cent—there is no corresponding drop in the price the consumer pays in the butcher shop or which the butcher pays when he buys his meat from the packing company. It is quite evident that the packing companies are able to manipulate prices for their own benefit.

The farmers' union have been unanimous in their requests that these injustices be removed. The request has been made year after year that a livestock marketing board be established to remove these injustices. This livestock marketing board should contain proper representation of farmers. The failure of the government to take more effective action along this line contributes a great deal to the discontent among the farm population. The trade unions have shown in their briefs to the government that they realize that a healthy agricultural economy is the best guarantee they can have that there will be a home market for the goods which they are producing. It means work for them in the farm implement plants. Automobile, truck and motor plants will continue in operation, and there will be work for them only when there is farm demand.

For some years now the Canadian farmers have been watching with envy the achievements of the United States farmers in the field of forward pricing, what they call 90 per cent of parity. They recognize that there are difficulties in following the same kind of program in Canada where we export such a large percentage of our wheat. There is, however, one thing they realize. That is that if in other countries some floor can be placed under agricultural products to the extent that the farmer is given stability, through this system of knowing what his price will be when he goes into production, it is something he is after in Canada, taking into consideration the problems that face him in this country.

There should be some more adequate stabilization of farm products in a forward way so that, for instance, when the farmer starts into production in raising a herd of cattle, if that is going to be his business or if that is the business for which his land is best suited, he can go into it with some assurance that there will be a floor price below which his commodity will not fall; and that floor should be high enough so he will not be forced to spend years working on his product and then, when he comes to sell it, find that everything has dropped and that he is losing out.

The farmers in Canada are realizing their position. There is a new idea growing among them. That idea is that if our great neighbours can work together with their farmers so that all political parties support a program that will guarantee stability to the agricultural industry, then we in Canada can do the same thing. The farm organizations are asking the farmers today—whether they are in Alberta, Saskatchewan, British Columbia, New Brunswick, Nova Scotia, Ontario or Quebec—to come together in one organization so they can speak with one united voice to guarantee stability to an industry which I believe is the greatest in Canada, and upon which the prosperity of this dominion depends more than any other.

The importation of millions of pounds of cheese into Ontario at this time, without adequate steps being taken to protect the cheese producers, is just the type of thing that aggravates the farmer to the point where he is willing to kick over the traces. He wants to know where he stands with regard to policies of this kind. He wants to know where he will be with guarantees; if guarantees were given, would the government then assure him that if they import this cheese—if through some negotiations on the exchange of goods and trade this is necessary—he will know long enough ahead so he can take steps to adjust his production and the matter can be taken care of.

The farmers of Ontario who are raising stock find the same kind of problem facing them that faces the stock grower in western Canada. As these farmers get together they

notice that they too are being stymied every time they attempt to work together to stabilize the production of hogs or to get their commodity to the market. In some parts of Ontario the farmers, endeavouring to get truckers to haul their hogs from their own farms to their own packing plant, have found that the truckers, who are apparently under the control of the packing houses, refuse to haul their hogs to the market which the farmers designate. There are always the boys on top, one move ahead of the farmers, always keeping in control. They are afraid that the farmers, through their organization, in some way might be able to meet the kind of competition presented by the methods the packing companies use to beat them down.

The farmers of Canada are resolved, united and determined. They are not going to give up this battle until there is a proper program of stability for agriculture. You can hardly blame them. Certainly the people who for their own prosperity are dependent upon the farmers' prosperity, are going to support the farmers 100 per cent. The people who are in the farm implement business, the people who are dealers and merchants in the towns in areas and communities where their whole livelihood depends upon the prosperity of the farmer, are going to support him in getting a solution to this problem.

There is every indication that this country will be facing a tremendous bill for relief if the present trend continues with regard to unemployment. There is nothing today to indicate that the government have solved the problem. It is our contention that it would be much better for the government to spend money upon this farm industry in order to give it stability so these people can then get employment. Then they will not have to be paid for sitting idly and doing nothing. The money spent on a properly established price support program for farm products will, in our opinion, be much better spent than money spent on unemployment relief.

A healthy agricultural industry will do more to bolster the Canadian economy than will millions spent in a niggardly way in order to feed unemployed people. The farmer with income purchases farm machinery, furniture, automobiles, trucks, fertilizers, gas and oil, and equipment for his farm operations. His farm production provides work for railways, the meat packing industry and steamship lines. Canada will never sink into a serious depression as long as the farm industry has stability. The objective of all organized farmers in Canada is stability. They should have the support of all in this house in this demand for justice.

To refer to my own constituency, may I say that the average farmer in my area operates a farm of about half a section or about 320 acres. His income this year will not begin to cover his 1954 operations. It is not unusual for the Canadian farmer to face calamity such as rust and frost and he is taking it without much complaint. But one thing the farmer demands is that there shall be stability next year when and if he can produce a crop. In the meantime some interim and final payments on the 1953 crop will help tide him over. It will not meet the costs. The farmer was in debt last year.

One year ago I pointed out the dangers facing agriculture, with declining income and increasing costs. At that time I told the house that the farmer had only one way to go and that was into debt, and that the farmer was going into debt. My statement was questioned here. I made personal contact with some of the people concerned and obtained corroboration from the local merchants, bankers and municipal officials. My own findings were that over 80 per cent of the farmers engaged in the agricultural business in my part of the province were in debt, some of them seriously. The situation will probably be worse next summer because the effect of the loss of the 1954 crop will not be felt until this next summer. This is the cause of the demand of the farmers.

In studying their problem the farmers see that they face an impossible situation by reason of this present situation. They have borrowed money to buy implements. The Farm Improvement Loans Act has been of some assistance to them, but they now find difficulty in meeting their obligations. One hope they have is that there is going to be some stability behind their operations in the future. Through their organizations, united in the western provinces at least and growing in the east, they have put forward to the government the things they feel to be necessary to achieve that stability. They are going to continue that fight, and the people who represent them here will be negligent in their duties if they do not support them.

Another thing that adds to the aggravation of the farmer is the continuance of the control over the allocation of box cars. When the farmer goes to deliver his grain it makes him very angry to find that he is faced with the necessity of delivering his grain to the opposition line elevator company merely because there was no allocation of cars to his own elevator. Every farmer should have the right to deliver his grain to the elevator of his choice. Surely that can be arranged at this time, when the heavy box car congestion is largely over. Any farmer who wishes

to deliver to the line elevator company should have the right to do so. The farmer saw that last year his wheat pool lost some 8 per cent, or 32 million bushels of grain in the handling operation because of the allocation of box cars.

This was an injustice which cut him very deeply. He fought for years and years to establish his own co-operative pool organization to fight against the organized grain trade and the grain exchange in Winnipeg which exploited him for so long. He finally established his own wheat board, and it disturbed him no end to see that these people he has fought against are now again gaining sufficient influence in high places to carry on this kind of campaign against his organization. He is going to continue to fight for his right to deliver his grain to his own elevator.

I should like to turn to another matter which is important to my constituents, and which was not mentioned in the throne speech. I refer to old age pensions. Our senior citizens are experiencing hardship and suffering which to say the least is disturbing. Before the present session is finished the government will be urged to increase the old age pension and the pension to the blind in keeping with the cost of living in Canada. When the old age pension was increased to $40 a month that was a good thing. We thought we were moving forward, but at the same time the government removed price controls and the increase in the cost of living just about wiped out the increase in the amount of the pension. Today $40 scarcely buys what $20 did 12 years ago. Surely something should be done to increase the amount of money paid to our old age pensioners, our senior citizens who are unable to earn a living any longer themselves and who have to depend entirely on the old age pension.

The pension should be related in some way to the cost of living in Canada, so that if the cost of living rises the pension will be increased by a proportionate amount. Thus these people would have some guarantee of their ability in the future to live on the pension which is paid to them. It is surely only right to these deserving people. Surely we can tell them that they will not be allowed to suffer as the result of a fluctuating cost of living. Canadians cannot be proud of this condition existing among the older citizens today.

Finally I want to refer briefly to the international field. In our efforts to win the world for democracy we must consider the hungry peoples of the world. It is necessary for us to prove by our actions that democracy is better than any other form of government, that democracy means more to the people of the world than any other way of life. We now have the opportunity to help the hungry peoples of the world, particularly the millions of Asia. It is my belief that providing these people with food, and helping them to develop their own resources, is at least as good a way of wooing them to democracy as a show of military strength. In the world of today a police force is necessary, but at the same time a larger share of the expenditures of the government should be made for humane purposes. We should be helping to feed these people and expand the Colombo plan in order to show the world that the democratic way of life is the best way of life.

Since war is now the way to complete destruction it is evident to people that there must be some alternative to war. If there is, we have to change. Let us see that we change in the right direction toward tolerance and human brotherhood, rather than showing the mailed fist as one means of forcing our will upon our fellow men.

Mr. H. M. Batten (Humber-St. George's): Mr. Speaker, I rise to take part in this debate with the intention of using most of my time to take advantage of the opportunity which this debate offers to discuss some of the problems of my own riding.

I represent the riding of Humber-St. George's, which in the last parliament was represented by Mr. W. R. Kent. I should like first to give you some facts about my riding. It comprises practically the whole west coast of Newfoundland, or that part of the province which faces the gulf of St. Lawrence. This riding includes three of the provincial electoral districts, namely St. George's, Humber and St. Barbe. It has a coast line of about 300 miles as the crow flies, but taking into account all the bays and indentations it is more nearly 1,000.

The St. George's area, which is in the southern part, is one of the beauty spots of the province, in fact one of the beauty spots of the whole of Canada. Farming is the main industry here and has been for a number of years, for here are situated some of the finest farms in the province. It may well be that with a progressive farm policy and fuller use of existing farm legislation on the federal level, a more vigorous marketing scheme could be encouraged as well as an increase in dairy and meat products. Logging and fishing are important to the area.

The fishing industry is one that has a potential well worthy of consideration. Cod and halibut are in abundance a few miles offshore, with the inshore fishing consisting of lobster all along the coast and with great

quantities of herring and scallops in Port au Port bay. But the task of the fisherman here, on a straight bluff shore with few harbours, is indeed one of many hazards. I hope we are not too far away from the time when facilities will be installed at Codroy harbour, Grand Bay, Port au Port bay and St. George's bay, not only for the sake of the fishermen in the area but also as a haven for the many small boats which ply their trade along the hazardous coast line. The middle section of my riding is known as the Humber, named after the Humber river which flows down the beautiful and fertile valley between thickly wooded hills to empty into the bay of Islands.

Here in this valley is another of the really good farming areas in the province. My previous remarks concerning farming would apply to this area, too. While farming has never been the major industry of Newfoundland I believe it could still play a greater part in the economy of the province than it has heretofore.

Along the shores of the bay of Islands the fishing industry has been successfully carried on for many years. Harbour facilities have greatly improved since the entry of Newfoundland into confederation. I am sure they will continue to be improved for the benefit of those who seek to take their living from the sea.

Here at the mouth of the Humber river and 30 miles inland from the gulf of St. Lawrence is the modern town of Corner Brook, site of the great Bowater's pulp and paper mill. It is the largest integrated newsprint mill in the world. This plant has an annual production of over 350,000 tons of newsprint and sulphite, and employs over 6,000 workers. It is an efficiently operated unit with an enviable record of relations between management and labour. One can surely appreciate the impact which this mill has had on the economy of the province since its construction in the early twenties.

While talking about the pulp and paper industry in my riding it might be well for us to have a look at this industry throughout Canada as a whole. It has been the leading industry in Canada for many years. In value of production, in exports, in total wages paid and in capital investment it is the largest of all Canadian industries. It is Canada's largest consumer of goods and services, including transportation. The newsprint industry in Canada has five times the output of the industry in any other country, and supplies one-half the world's newsprint needs. The expansion of this industry must naturally take into account the fact that raw material is the prime factor.

Canada's forests, totalling nearly 1·5 million square miles, are amongst the largest in the world, with over 800,000 square miles capable of producing continuous wood crops. In this house we have been hearing a great deal in the last few days about the reduction in exports and loss of foreign markets. Such is not the case so far as this industry is concerned. Shipments from Canadian mills in October last set a new record, which was again broken in November. Shipments in November, 1954, showed an increase of 10·5 per cent over shipments for the corresponding month in 1953. *Newsprint Data,* 1954 edition, published by the newsprint association of Canada, states that Canada is rapidly regaining its overseas markets and estimates that shipments to the United Kingdom in 1955 will very nearly equal the pre-war level.

Coming back to a description of my riding, the area extending north from the bay of Islands along the west coast of the northern peninsula, toward Labrador, is known as St. Barbe. For many decades the men along this coast have fought to earn a living from the sea. In many places wharves and breakwaters have been built, but much still remains to be done if those who live in the area are to be enabled to earn their living from the sea. Logging and lumbering offer employment as a supplement to fishing. Here again, from the scenic Bonne bay to the wave-lashed shores of the strait of Belle Isle, are long stretches of straight coast line with very few harbours, inhabited by people whose resolute sturdiness is excelled only by their hospitality.

From the early days of its discovery Newfoundland has been recognized as a fishing country. For many years it flourished as a result of the great demand of the European and South American markets for fish. During the 1920's large quantities of Newfoundland cod were sold to Spain, Portugal and Brazil. Following this period the markets open to us were gradually closed. Spain and Portugal expanded their own fishing industries to the point where the demand was considerably reduced. Methods of fishing other than those normally used produced a quantity of small fish not acceptable in some markets, particularly those of Portugal. Then there were the difficulties presented by countries willing to barter, as well as those presented by countries in the sterling area. Added to all this was the difference in standards of living, which resulted in the seller's minimum price sometimes being higher than the buyer's maximum price.

In Canada the fishing industry is one of the country's oldest, but over the years it has lost some of its relative importance. In the

coastal regions it is still of paramount importance, a fact which is particularly true of Newfoundland. Today 19,000 fishermen in 1,000 small hamlets scattered over 10,000 miles of coast line strive to eke a living from the sea. It has been done successfully in the past, and I believe it can be done again through the introduction of better methods of catching, curing and marketing a quality product. Figures for 1946 to 1952 show that the maritime provinces have pretty well maintained their share of the national total, and while comparable figures for Newfoundland are not available I believe the same statement is virtually true.

For those who would build dungeons in the air I would point out that the Canadian fishing industry, too, had a favourable year in 1954. For the first ten months of 1954 the catch was 11 per cent higher in volume and 8 per cent higher in value than for a similar period in 1953. Larger sales of fillets to the United States and of canned salmon to the United Kingdom resulted in a 12 per cent increase in export value over the previous year. In Newfoundland there were indications of the result of negotiations carried on last year by the Minister of Public Works (Mr. Winters) in an effort to reopen European markets which were formerly big buyers of Newfoundland products.

The fishing industry in Newfoundland has always been, and very likely must continue to be, very dependent upon foreign trade. Newfoundland, along with the other maritime provinces and the prairie provinces, must be deeply concerned with any trade policy this government may adopt. Certainly a policy of protective tariffs would not be conducive to the best trading possibilities at a time when, due to conditions over many of which we have no control, we are already having difficulty in competing in foreign markets.

Here in Canada we are in quite a different position with regard to export trade than is the United Kingdom or the United States. England, with its relatively large population and consequent large domestic market, has an export trade of 17 per cent of its total trade. Similarly in the United States, where a tremendous interstate trade is carried on, only 6 per cent of its total trade is on an international level. Here in Canada we have a relatively small population with a proportionately high degree of production, and an export trade of approximately 25 per cent of our total trade.

The future of this country depends upon the high volume of our export trade. Our economic future is dependent upon our strong competitive position in world markets. I believe that to hide behind higher tariff barriers at this time would be to mortgage that future. In my opinion this policy is the correct one for Canada in general to follow. Certainly it is the correct policy that will breathe life into the fisheries of Newfoundland.

Many improvements have been made there, and I am sure others will come. But in the final analysis success will depend upon being able to sell our products at prices which will give a living wage to 19,000 fishermen whose homes now dot the shores of an island that was recognized as a great fishing province when the wind was still blowing through the forests on the sites of every major industry on the Canadian mainland. But I do believe that for the industry to be attractive it must not only offer opportunity for making a living, but must also be able to offer some of the benefits now granted to workers in other occupations.

In the speech from the throne we were informed that the government proposed this session to introduce legislation granting loans to fishermen similar to those granted to farmers under the Farm Improvement Loans Act. This, I believe, is a step in the right direction, and I commend the Minister of Fisheries (Mr. Sinclair) for his action in this regard.

During the last session of parliament, and again early in this session, there has been mention of unemployment insurance for fishermen. Although I am not unmindful of the many difficulties to be overcome before such benefits could be extended, I believe it is possible, and would give my support to such a measure. In commercial fish establishments those who are engaged are eligible for unemployment insurance, yet the initial producer who makes these jobs possible is denied this benefit.

In my constituency there are many fishermen who, in order to earn a living for their families, are forced to supplement their low incomes from the fishing industry by work in the woods when employment is available, during part of the winter months. Many of these do not qualify for insurance benefits. If, however, by some formula they could be given credit for summer work, then they would be eligible for benefits during the winter months. I would join with my other colleagues from Newfoundland who have made reference to this matter in recommending to the Minister of Labour (Mr. Gregg) that consideration be given to such a measure.

Now, while discussing the fisheries of Newfoundland there are two other points I should like to mention. In my riding

within the last few years, the lobster industry has assumed such proportions as to become of major concern to the fishermen in the area. Lobsters are caught in the conventional lobster traps, held in pools and shipped to the United States markets by boat. Fishermen who during the past summer prosecuted this type of fishing had a better than average year, so far as the quantity caught was concerned, but did not receive proportionate returns due to the fact that a large percentage of the catch was unsuitable upon arrival at the market. Too large a percentage was either dead, weak or maimed.

I have no figures which would suggest the average loss, but I did see individual accounts showing, in extreme cases, a loss of over 20 per cent. Whether these losses are due to improper care during the pre-shipment period or due to faulty methods of shipping is difficult to determine. But it is a problem which is causing some concern, and is one that needs some attention, not only from the standpoint of the return to the fishermen but also in the interests of conservation. In 1953 the federal Department of Fisheries completed experiments on the commercial holding of live lobsters. I believe these experiments are important to this industry in avoiding the causes of mortality among lobsters during the pre-shipment period.

The province of Newfoundland will not only be known as a great centre for commercial fishing, but also for sport fishing at its very best. In my riding are some of the finest trout streams and salmon pools on the North American continent. Here is a sportsman's paradise that even the expert on fish stories need not hesitate to describe. We in Newfoundland believe that this is our greatest tourist attraction, and it is our hope that with the new ferry on the gulf of St. Lawrence and the completion of the trans-Canada highway, visitors and sportsmen will be encouraged to come to our province during the summer months. In this instance there is little need for me to emphasize the importance of conservation methods. On some rivers the federal Department of Fisheries has conducted experiments, and on others improvements have been made. May I suggest a continuance of this program.

I believe that Canadians have a very healthy respect for conservation. In a land so bountifully blessed with natural resources it augurs well for the future that some thought is given to posterity's welfare. But our thoughts for tomorrow must sometimes be expressed in regulations to ensure that conservation is not only a mental attitude but also a practical reality. In the case of which I am speaking—the salmon rivers—I trust that present regulations will be enforced by river guardians and others who are concerned with such matters, and that other regulations will be designed if necessary so that this resource, which I say again is our greatest tourist attraction, will not only continue to bring visitors to our province but will also continue to afford to Newfoundlanders the joy of "fishing on a river on a morn in mid-July".

The Disabled Persons Act passed by this parliament last session and proclaimed on January 1 of this year has already received wide approval. I feel it will be welcomed as a needed addition to our present social security program, when it comes into effect in the different provinces. In my own province of Newfoundland this allowance for totally and permanently disabled persons will go into effect on April 1 of this year.

I was pleased to note in the speech from the throne that amendments are to be made during this session of parliament to the Blind Persons Act of 1952. It will be remembered that by that act the basic pension had been doubled, the residence requirements reduced by one-half, the income ceiling approximately doubled and the minimum age reduced to 21 years. It is now proposed to lower still farther the age of eligibility and to raise the income ceiling.

I am sure these amendments are understandable and welcome. While only a small number of Newfoundlanders will be affected, yet the percentage involved will be the third highest of all the provinces and nearly double the average for the whole of Canada. For the year ending March 31, 1954 the report of the department of welfare of Newfoundland records 335 persons as recipients of blind persons' allowances, which is 0·183 per cent of the population from age 20 to 69 years and 0·086 per cent of the total population of the province.

Here again is evidence of the ever-expanding social services of this nation to include within its scope not only the majority groups but also the smaller minority groups that form a part of the population of this land.

During this session of parliament amendments are to be made to the War Veterans Allowance Act. The proposed improvements to increase the basic allowance and raise the income ceiling will not only prove to be very acceptable to the 42,000 veterans and widows of veterans at present benefiting under the existing act, but will also be recognized by the citizens of Canada as another worthy advance in a program already recognized for its distinction.

Now, Mr. Speaker, we do have our problems in my riding, as they do in the other ridings in Newfoundland and in the other 258 ridings on the mainland of Canada. Some of these are problems of recent origin. Others are problems that have been handed down to us by a very severe history. We have those problems discussed sometimes by one group and sometimes by another. Sometimes we have people who spend an hour or two in the province, or in my riding, and without any knowledge of the historical background or of the local setting proceed to pronounce what the policies ought to be. I fear, Mr. Speaker, that I shall have to classify those people as itinerant victims of a midsummer night's dream. But we do have our problems, sir, and on the most important we usually reach solutions that are fairly satisfactory, even though sometimes the majority be small.

It has been said in this house that the fortunes of Newfoundland are at a very low ebb. With that statement, Mr. Speaker, I would have to very sincerely disagree. If we were to compare the lot of Newfoundlanders 20 years ago with the lot of Newfoundlanders now we would find a tremendous difference; and even if we were to take that 20-year period and divide it into four five-year periods, we would find that there is not only a difference between now and 20 years ago but there has been a successive improvement over those four five-year periods. We have today in Newfoundland, for example, a standard of living that may not be as high as in some places on the mainland, but that is immeasurably higher than it was 20 years ago. The year 1953 was a good year for Newfoundland; 1954 was not so good, but still a good year. Even at this present moment, for example, the unemployment situation in Newfoundland is better than it was at this time last year.

No, Mr. Speaker; the fortunes of Newfoundland are not at a low ebb, for I believe that the fortunes of any people are not manifested only in the material things which they bless and which they are blessed by. The fortunes of a people are also in the things for which they have some respect, in the things in which they have faith. We as new Canadians come to this mainland of Canada and bring with us a respect for the institution of Canadian democracy, a faith in the future of this great land, that if excelled at all will be excelled only by those who have always had the privilege of calling themselves Canadians.

(Translation):

Mr. Robert Perron (Dorchester): Mr. Speaker, several members having congratulated the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne, which is quite in order and well deserved by the members in question, have proceeded to criticize the speech from the throne for several reasons. As far as I am concerned, since it is not up to me to eulogize it, I would like to say a few words on a matter of interest to the economy of this country as a whole. This question has been raised several times since the beginning of this debate, though no mention has been made of it in the speech from the throne, a fact which is somewhat surprising. I refer to the question of agriculture, which is certainly the most important at this time, in the west as well as in the east. Since I have been here, I have heard it said repeatedly that the western farmer is not in an excellent position, and that he even has wheat surpluses of which he cannot dispose. On the other hand our eastern farmers complain that their revenue has considerably diminished this year again and that they view the future with some misgivings.

In other words, Mr. Speaker, if this be not a serious depression it is something rather similar; we are moving in that direction. In order to satisfy everyone I could say that our farmers are at present in the midst of a disturbance which the government claim to be temporary but which shows signs of going on indefinitely.

Still, if we read the speech from the throne all we see there with regard to agriculture and to the urgent problems which the government have to solve is this. I am quoting from page 3 of *Hansard*:

> Although the national economy is in a generally healthy condition, the relatively poor wheat crop is being reflected by a small decline in the total national income.

Mr. Speaker, that is absolutely all there is in the speech from the throne to solve what the government call a disturbance, but what you and I would call a depression. There is no clear remedy proposed.

And moreover, this single sentence from the speech from the throne which hardly touches upon the problem at all, bears no relation whatever to the facts. It is simply not true that the relatively poor wheat crop has brought about a slight decrease in national revenue, since this crop has not yet been sold. We still have to sell enormous surplus stocks of wheat before marketing the 1954 crop. Whether that crop has been good or bad can in no way bear upon the national revenue for 1954.

What might have had an adverse effect on this revenue—a fact which is not mentioned in the speech from the throne—is that the eastern farmer, besides having had a

poor crop, has sold his products at lower prices, failing a proper market, so that his personal revenue has decreased as much as 15 per cent, and much more than that in certain areas.

There is unquestionably an urgent problem to solve, and the fact that the speech from the throne makes no mention at all of the steps the government intends to take to help the farmer is not easy to explain.

There is no hiding the fact, farmers are concerned and expect from this government the assistance required by the situation. The only stable income they have been able to rely on for the past few years has been the income from the dairy industry, thanks to the support price of 58 cents a pound for butter.

However, the government have not yet announced the policy they intend to adopt in this connection this year, which keeps the farmers in a state of concern.

It appears to me necessary that the government maintain the price support at the same level.

This price of 58 cents was set in April, 1951 and I think it can safely be said that, since that date, production costs have increased. However, the price has remained the same. The only reason which would justify a reduction of the support price would be a reduction in the production costs. According to estimates, production costs this year will remain the same as in 1954. Such, at least, are the conclusions reached by experts of the Department of Agriculture in the course of a recent federal-provincial agricultural conference.

As another argument, I must say that, from March 1949, when it was put into effect, to January 1, 1955, price support will have cost the taxpayer, if I am rightly informed, less than $2 million, that is to say an average of about $300,000 a year. It involves a relatively minor expense to ensure a bit of security to a class of society which is the most important in the country and whose other sources of income at the present time, barring the dairy industry, are influenced by all sorts of risks, making them uncertain and precarious.

The poor crop of last year, due to bad weather, not only caused farmers to lose some income, but, in 1955, they will be faced with a shortage of seed which will entail the additional expense of a few hundred dollars for each one of them, come sowing time. Serious difficulties are anticipated, at least in the province of Quebec, next spring, to the extent that the government may have to help by means of subsidies. Were the support price of butter to be abolished, at a time when farmers will be faced by these extraordinary expenses, that would no doubt spell disaster.

In order to face the seasonal unemployment crisis, the house recently amended the Unemployment Insurance Act with a view to increasing unemployment insurance benefits. This was a humanitarian measure that the house approved unanimously. However, this measure will involve considerable outlays and it seems to me that the government should not be stingy when it comes to helping the farmer who, also, is entitled to a minimum of security.

As far as the consumer is concerned, I do not think that he is affected by the support price. Because of the support price the consumer always pays the same price for his butter, whereas he would pay, let us say, 45 cents during the production season, when there is plenty of butter, that is during the summer months, but during the off season, that is in the winter months, he would pay 75 cents, which in terms of money paid out amounts to exactly the same thing, that is 60 cents the year round. Therefore the support price has the merit of saving that commodity from the ups and downs of a market which can easily be made to fluctuate.

For all these reasons, Mr. Speaker, I ask the government to maintain the 58 cents a pound support price and to announce such a policy as soon as possible so as to put an end to the uncertainty now prevailing. The price should be set at 58 cents for the next two years as called for by all farm organizations throughout the country.

By so doing the government will assure a minimum revenue to every farmer in eastern Canada where farming is the principal industry.

If it were announced immediately, such a policy would make up for the silence kept on that score in the speech from the throne.

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I represent in this house a county with a mostly working class population, and I would briefly like to comment on certain legislation mentioned in the speech from the throne that bears upon employment.

It would be well to consider first the degree of economic activity in the past year, in order to comfort our friends in the opposition, for, in spite of their claims, the general position is a good one, and I have always thought that official statistics give better information than speculations and near-truths.

The gross national product for 1954 amounts to $23·9 billion whereas it attained $24·3 billion in 1953, or a mere 2 per cent variation, which shows an appreciable stability in our production.

Consumer purchases reached a higher total in 1954 than in 1953, a fact denoting a still very high level of national purchasing power.

At the end of October industrial production in general shows only an average 2 per cent recession with regard to the year before. It should be noted, however, that the total amount for October, 1954 is higher than the corresponding figure in 1953.

And, if it is otherwise true that employment in the manufacturing industries is slightly down, employees in those industries have, on the other hand, had an hourly wage increase of 3 cents an hour in 1954.

These various glimpses of our economy therefore illustrate that business in Canada is, on the whole, good; if there have been recessions in some sectors they have been compensated elsewhere by a fuller activity.

Yet I have to admit that as far as employment is concerned, the position is still difficult, and I shall try to discuss it as objectively as possible. I do not want unduly to minimize certain figures mentioned by opposition members with regard to the number of unemployed in this country, but we must admit that statistics in this respect are incomplete and do not always give a true picture of the facts.

But, whatever might be the correct number of unemployed and the nature of that unemployment, whether it be seasonal, local or otherwise, the number of unemployed is large enough to warrant the government to take without delay important legislative measures, because private industry is now unable to absorb the unemployed.

These measures, as forecast in the speech from the throne, will no doubt give to the industry the necessary priming. I would like to say a few words about some of those measures.

Public works are required to supplement private enterprise and provide here and there urgent improvements. We have to remember that the purpose of taxation is to provide services, and it is to be hoped that those public works will be soon under way. I would like here, in passing, to suggest to the government to take into consideration the building of a new bridge on the St. Lawrence river at the end of Pie IX boulevard; when I am suggesting the building of this additional bridge for Montreal, what I have in mind is the speeding up of traffic. As a matter of fact, all the traffic coming from the eastern part of the city must now go through the centre part of the town in order to cross Jacques Cartier bridge; this Pie IX boulevard bridge would link the south shore of the river with eastern Montreal, and would connect directly the Laurentian highway with Pie IX boulevard at St. Vincent de Paul.

But the deepening of the St. Lawrence waterways will bring about a situation which will make the building of that Pie IX bridge still more urgent. Experts of the Montreal town planning committee anticipate that, as a result of the deepening of the St. Lawrence waterway, Montreal will cease to be an island town, and the south shore municipalities will lose their rural characteristics and become industrial and residential districts. We must, therefore, increase the number of bridges spanning the St. Lawrence river, and I believe that the present conditions warrant the government to build a bridge at the Pie IX boulevard without delay.

The amendment to the Unemployment Insurance Act was urgently required. The duration and rate of supplementary winter benefits are increased from now on, and the working people are now in a position to appreciate fully the wisdom of that legislation; approximately 80 per cent of salaried people are eligible for unemployment insurance benefits, and, in case of unemployment, municipalities will not have, as before, to feel the main impact of unemployment.

This amendment to the act will be beneficial, but it will be necessary to keep a close watch on the development of our national economy in order to bring down new amendments if conditions should make it necessary, and the future will prove no doubt that this beneficial act will remain among the major achievements of the Liberal party.

May I repeat the request I made last year to the government for the opening of an unemployment insurance and employment office in the east end of Montreal in order to accommodate the workers in that part of the city.

The west, north and south ends of the city of Montreal are well served at the present time, but I do not think that the Delorimier street office in Montreal is very convenient for our workers who live in the east end of the city. Moreover the eastern part of Montreal is surrounded by small industries and the opening of such an office there would be well justified. I repeat this request and hope that it will be acted upon this very year, thus sparing me the obligation of renewing my request.

Another piece of legislation forecast in the speech from the throne and which will help relieve unemployment has to do with loans for home improvements. The National Housing Act has brought results in line with the

government's expectations, in spite of the pessimistic predictions expressed at that time by the opposition. With this important improvement, it is logical to foresee a new high for 1955.

The riding of Maisonneuve-Rosemont is perhaps among those which benefited the most from that legislation. From the projects for 1955, we can anticipate a substantial increase in house building which will turn that part of the city into one of the finest residential districts. It must be admitted that in enacting this act the government has been equal to its responsibilities and, on behalf of the thousands of new home owners of my riding who have taken advantage of that legislation, I do want to thank the government.

The speech from the throne mentions also the meeting of the commonwealth prime ministers, which is now taking place in order to discuss certain common problems which are facing the peoples of that great association of nations. This conference is being held at a particularly important moment, and it will no doubt favour an exchange of views that might lead to an increase of our exports, even though it is not the immediate purpose of this meeting.

Our foreign trade is closely related to the prosperity of the Canadian people, and all efforts must be directed to the finding of new markets. But, let us be realistic, and the views expressed by the right hon. Prime Minister on January 10, 1955, are shared by the majority of Canadians. International trade must work in both directions, and, at a time when the most important nations are trying to find the way to facilitate trade, it would be suicidal to raise tariff barriers as some members of the opposition seem to want.

It is the duty of the government to organize production and to find markets. But Canadian industry also has its responsibilities, and it is up to industry to revise its means of production, in order to be able to compete with foreign goods, insofar as originality, quality and price are concerned.

I believe that the present employment difficulties in certain fields stem mainly from the new methods of industrial adjustment and from the necessity for employers to lower their cost of production by saving on manpower.

I am satisfied that the unemployment situation is but temporary. Although the government is determined to find a solution to the problem, we must be grateful that it acts cautiously, because the economy of a country is not like an automobile which can be stopped or put in motion at will. Canadian electors have shown that they understand this because at the recent by-elections they have again supported us.

Now I would like to speak about seasonal unemployment. Owing to the weather conditions in our country, we experience a shrinkage in employment every year as soon as winter sets in, but the situation improves slowly until spring.

It is not easy to find a solution to that problem. Members of the house who know the working people, who live with them, know very well that our painters, carpenters, masons, bricklayers, diggers and day-labourers may be without work for a few months each year; it is an unfortunate situation to which we should strive to find a solution. Moreover, the problem becomes more acute because several industries tend to lay off some of their employees in November and December and then hire them back towards the end of January each year.

I have studied the situation and discussed it with several workers. I believe that the practical solution rests more with the public than with the government; the time has come when everyone should realize that the government is not the only one which has a responsibility in the matter, but that it is the responsibility of the nation as a whole.

I am satisfied that, at the very moment I am speaking, work could be found in Canada for more than 100,000 unemployed if everyone assumed his share of responsibility for the solution of the problem.

It is a matter of co-ordinating the well known sense of citizenship and co-operation of all Canadians and it is in that spirit that I would like to offer a suggestion to alleviate seasonal unemployment which afflicts us and I offer it for study to both employers and organized labour.

I would like to see the setting up of an agency which would undertake, each year in January, a national eight-day employment campaign across Canada. It would surely be patronized by the Department of Labour and in all provinces, either through the press, radio or television, an appeal could be made to the public, asking everyone's co-operation to promote employment during that season.

A campaign such as this would undoubtedly receive the support of all the provincial governments as well as the wholehearted

support of all municipalities, and there are more than 14,000 in Canada. Since they are directly interested in promoting employment in their locality, in all those centres a proclamation by the mayor would invite all citizens to co-operate in the campaign, which would be everybody's business, as everyone would benefit from it.

We have in the country a tremendous commercial and industrial potential of over 100,000 industries of all kinds. If such a national movement were well organized, how many industries, manufactures, plants or businesses of all kinds, how many citizens, who are postponing various kinds of undertaking, even in their home, could not then become employers of labour?

And we have the necessary set-up to serve as intermediary between demand and supply, because our employment offices are scattered all over the country. The requests for labour coming from industries, business firms and private citizens would be filled by our employment offices and workers would be called to work, each according to his own skill.

Many agencies organize each year public drives to collect millions of dollars for deserving causes and their campaigns are always most successful. Why not then invite the co-operation of all Canadians to such a national employment campaign, which would no doubt be as important as all the other ones? A national employment campaign is a suggestion I make and possibly it deserves consideration.

I should now like to comment on the deplorable situation created for workers who are being rushed into retirement when they reach 65. Since I became a member of the house, I have very often had the opportunity to discuss with them and to appraise the extent of the injustice of which they are very often the victims.

Our society entertains a prejudice concerning the worker of 65 years of age, and I have noted in the papers that the British ministry of pensions carried out a survey in this matter. I believe the lessons taught by this survey would apply here as well as elsewhere.

As it appears from that survey, the majority of workers who took their pension at the age of 65, were compelled to do so at a moment when their employers were still benefiting from their energy, their good will and, especially, their experience. At that age, no doubt, physical strength wanes but any deficiency in that respect is largely offset by knowledge and experience. We are here the victims of a preconceived idea. As a matter of fact, some men are already old at 40, while others are still young at 65.

Would it not be possible for us to take the leadership, as far as our own civil servants are concerned, and set an example for industry to follow? And if such a survey were made here, the perpetration of a great many injustices might well be prevented.

Before concluding, Mr. Speaker, I regret to be under the obligation to comment on certain remarks made in this house, January 12, by the hon. member for Burnaby-Coquitlam (Mr. Regier). These remarks were strongly objected to by members from Quebec sitting on either side of this house. I feel compelled also to object in like manner to the statement made by that hon. member, as reported at page 121 of *Hansard:*

> ...there is no part of Canada that is as ripe for advances by the communist party as the province of Quebec.

Travel broadens, we are told, and it is to be hoped that this hon. member, a new incarnation of the political commercial traveller, will take the first opportunity to return to the province of Quebec so that he might get to know it as it really is, a province securely rooted in traditions of religion, culture and hospitality and, above all, respectful of authority.

On January 17 he made an attempt to clarify his speech of January 12, stating that he had . . .

> . . . the greatest regard for the religion, language, heritage and culture of the people of that province.

This clarification bears no relation, however, with the astounding statement he made on January 12, to the effect that no part of Canada was so ripe for advances by the communist party as the province of Quebec.

And that is why, on behalf of the 50,000 constituents of Maisonneuve-Rosemont whom I have the honour to represent, I indict this statement as false and I dare hope that the leader of his group will dissociate himself from this false and humiliating statement about the province of Quebec.

Since then, other unfavourable remarks have been made by members of the C.C.F. party against the province of Quebec. Nothing could be more harmful to national unity than such remarks which only serve to stir animosity and mistrust.

Last year, I asked what good purpose was served by all these speeches on the address in reply to the speech from the throne. Experience shows me now that the Canadian electorate can derive benefit from such speeches because they help remove a good number of masks and, most of all, they prove

to the electorate that they were right in showing confidence in the Liberal party which traditionally has respected the rights of minorities in Canada and treated all groups and all provinces with fair play, not for the purpose of fostering their policies but for laying the foundations of a united and prosperous nation.

(*Text*):

Mr. A. B. Weselak (Springfield): Mr. Speaker, I wish to take this opportunity to join with other hon. members in congratulating the mover (Mr. Leduc) and seconder (Mr. Carrick) of the address in reply to the speech from the throne for the splendid contributions made by them on that occasion.

In the course of the debate we have heard members of the opposition denounce the government, and if one were to take their speeches alone one would be left with the impression that the present government had little interest in the future of Canada or the welfare of its people. I do not agree with this view and I take issue with those who adopt this attitude.

Before coming to the house I felt that the Liberal administration was doing a very good job of governing the country, and my short experience in the house has not changed my opinion in this regard. The mandate given the government in the last election by the people of Canada clearly indicates that I am not the only one of this opinion, but that many people throughout the length and breadth of the nation are of the same opinion.

This government has a responsibility to all the people of Canada with its various sectional regions and economies. It is not an easy matter to reconcile the various groups who have varying interests and whose demands upon the government are of such a conflicting nature. I submit that the policies of the government have been such that these interests and demands have been met in such a way as to keep all sections of our economy at a reasonable level.

It has been said in certain parts of the house that the throne speech is significant for what it did not contain. To me it is significant for what it did contain. The approval of the protocol for the restoration of sovereignty in West Germany and its rearmament is now history in the house. My support of this resolution was given in the belief that it was a step in the right direction and, above all, that it would demonstrate to the countries behind the iron curtain dominated by Russia that the western nations do not want to subjugate other peoples but desire to see that the peoples in these countries live democratically, with the dignity which is rightfully theirs.

The announcement of the meeting of the prime ministers of the commonwealth nations in London was also welcomed. These meetings of the commonwealth contribute toward a better understanding of the British peoples; and our Prime Minister (Mr. St. Laurent), with his wisdom and the respect which he commands both at home and abroad, will no doubt make a substantial contribution to the deliberations of that conference.

My people welcome the progress being made on the St. Lawrence seaway. We in the west, being a considerable distance from our markets and our sources of supply, are very conscious of the costs of transportation which so directly affect our economy. It has been estimated that when the seaway is built transportation rates on grain sold in the overseas markets will be reduced by 5 cents per bushel to the benefit of the producer, and it naturally follows that imports for the west will also benefit from the reduction in transportation charges.

The proclamation of the legislation providing for disability pensions, the proposed amendments to the War Veterans Allowance Act and the Blind Persons Act, all will be welcomed by the people of my constituency. When people are in need and no provision exists at the federal or provincial level for their relief, the responsibility for their maintenance and welfare falls upon the municipality. Having been associated with municipalities for a considerable number of years, first in an administrative capacity and then in an advisory capacity, I can appreciate the relief this legislation will give to the municipalities in Manitoba.

The demand for services, particularly with respect to roads, drains and education, has increased substantially in the past few years; and the municipalities, with their restricted base of taxation, have found it increasingly difficult to provide the essential services required with the limited funds available. A town, village or municipality with half a dozen disability cases would have to provide from $4,000 up for these cases, and in their municipal budgets I can assure you, Mr. Speaker, that to the average municipality this is a substantial sum of money. It is estimated that in Manitoba 1,200 people will benefit at a cost of approximately $600,000, shared equally by the provincial and federal governments.

The amendments to the Railway Act are also particularly welcome. Both transcontinental lines pass through the constituency of Springfield, and hardly a year has passed when a tragedy has not occurred. The municipalities have tried to cope with this problem, but the cost of providing safeguards has been

prohibitive. Greater federal participation in the cost of installation and maintenance may make it possible for these municipalities to provide the necessary safeguards, thus saving the lives of many people and preventing tragedy in many homes. The additional provisions regarding housing will also be of benefit in providing additional living space and the modernization of existing homes, thus contributing to the comfort and health of our people and our children.

I note that reference is made to the Meat and Canned Foods Act, and that measures are to be introduced for the inspection of meat and for the establishment of standards for agricultural products. From a reading of this portion of the speech it would appear to me that the standards referred to would be applicable at the retail or export level. At this time I would ask the Minister of Agriculture (Mr. Gardiner) to give consideration to establishing a grading system for beef at the local marketing level similar to the rail grading of pork. The experience of my constituents has been that when deliveries to the yards are high, buyers generally offer lower prices than those usually offered when deliveries are slow and do not meet current demand. My impression was that while certain individuals did not approve the rail system of grading, yet the majority felt that this system was preferable to the existing system in regard to beef. I would therefore ask the minister and his officials to give this matter their serious consideration, and devise some system whereby this situation can be rectified.

On this occasion I wish to compliment the government, and particularly the Minister of Trade and Commerce (Mr. Howe), on their continued confidence in our export trade and foreign sales. In the face of falling prices, a carryover the second largest in our history, and a huge surplus in the United States, the initial price of wheat was set at $1.40 per bushel, which in effect is a floor price for the 1954-55 crop year. We recall that in 1929 the Saskatchewan pool set their initial price at $1.25 per bushel, and they suffered enormous losses. These losses were guaranteed to the banks by the federal government, and in the following year the provincial governments put up security against the money lost by the western pools. In Saskatchewan alone, including interest paid, this amounted to over $20 million. At the time the initial price was set on July 16 of last year, the board held wheat unsold to the value of over $100 million and the carryover stood at over 587 million bushels.

In addition to these factors, crop conditions on the prairies were fairly good and it appeared that a good crop would be harvested. Farmers in the west were aware of the situation and had resigned themselves to the expectation that the initial price would be substantially reduced. The announcement of the floor price came to the west as a ray of light and hope in the darkness of uncertainty which had previously prevailed. The Winnipeg *Free Press*, which has almost always been critical of the present system of marketing grain, had this to say on January 19, 1955:

> At the same time, the west should recognize that the unchanged initial price was a hard decision to take. It may reasonably be interpreted to mean that Ottawa is genuinely confident about sales immediately ahead. But everyone is now aware that a further reduction in selling prices may become the only way to keep wheat moving out of Canada, and to reduce a surplus that certainly should not be allowed to go on piling up.
>
> In those circumstances, it would become apparent that the wheat board was operating at a loss, which would inevitably be chargeable to the federal treasury. The taxpayers of the rest of Canada would have much to say about that. The maintenance of the initial price in this one uncertain year cannot, therefore, be taken as in any way establishing a precedent. If real disaster should come in the world wheat market, the western farmer will certainly be entitled to look for some support from the rest of the country, but he would be very foolish to expect it to be given at the level of the present initial price. The plain fact is that wheat farming represents far too large a part of the Canadian economy for any such blanket guarantee to be politically or economically practicable even if it were desirable—which, as a long-term measure, it certainly is not.
>
> As a short-term measure, however, the stability of the initial price is, for this year's crop, a practicable policy and a legitimate means of helping the farmer through an adverse turn of circumstances. The relief of one uncertainty will make the others bearable, and everyone in the west can rejoice with the farmers that what is, in the circumstances, justice has been done to them.

On this occasion I should like to refer to the speech delivered by the hon. member for Assiniboia (Mr. Argue) on January 19, who had this to say at page 344 of *Hansard*:

> I say that the attitude of the Canadian government as expressed in its treatment of the wheat producers is shameful. No wonder the farmers of western Canada, through their farm unions and other organizations, are considering once again a mass movement on Ottawa to try to impress upon this anti-farm government the need to increase the support price on Canadian wheat.

I am sure that last July the hon. member expected a reduction in the initial price. I am sure that he, along with others, was relieved to find that the government had more confidence and faith in the farmers of this country than he did, and that it did not pay too much attention to the gloomy prophecies and forebodings which emanated from the socialist benches during the last session.

Some hon. Members: Hear, hear.

Mr. Nicholson: Will you read it more slowly? We cannot catch it.

Mr. Weselak: You cannot? Further, I do not believe the hon. member used the term "anti-farm government" seriously. If he did, I would suggest that he review the record of this government and its farm policies. I believe he would find that practically all the legislation on the statute books promoting stability in agriculture, and for the assistance of agriculture, were put there by the government now in power. He will find also that substantial sums are expended from the federal treasury for the assistance of agriculture. All this is in addition to the sums expended by the Department of Agriculture and other departments of the government in agricultural research, and in obtaining and retaining our world markets. There are also many other policies which have been adopted and maintained by the government that have been of incalculable value to the farmers of this country.

An hon. Member: The people of Selkirk did not think so.

Mr. Weselak: The people of Springfield did, and they are next door to Selkirk.

At this time I should like also to extend a word of appreciation to the Minister of Transport (Mr. Marler) and the Minister of Agriculture for their reassuring statements concerning the government's stand in regard to the Crowsnest freight rates.

Before leaving the Minister of Trade and Commerce (Mr. Howe) I should like to refer to another phase of his department's activities which directly affects the farm economy, and that is the matter of international trade. We must not forget that we are an exporting nation, dependent upon world markets to a considerably greater extent than many other trading countries. We must not forget that we cannot find sanctuary behind tariff walls and that we must be prepared to compete with other countries in the world markets. The minister's work at the conference called for the purpose of revising the general agreement on tariffs and trade, commonly known as GATT, where he advocated the removal of import restrictions as an essential condition to a secure and prosperous world economy, is in our interest and is to be commended.

The economic trading strength of other countries is steadily increasing as they rehabilitate themselves after the ravages of war. Surpluses in the United States threaten us, and in such a world atmosphere a better and a stronger GATT should be our goal. Reports indicate that considerable difficulty will be experienced in plugging the loopholes in GATT, particularly with the United States. With their large farm surpluses, apparently the United States insist on the right to set import quotas and subsidize the export of farm products. The mission to Washington by three of our ablest ministers early this session to discuss these matters with United States officials was timely, and reports indicate that some progress has been made toward salvaging GATT which, early in December, appeared in jeopardy. In the interests of our economy this government is rightfully doing everything it possibly can to avert a crisis which could possibly destroy GATT, under which 80 per cent of the free world's international trade is regulated.

We are not without our own internal pressures for protective tariffs. Recently the tariff board heard requests from the manufacturers of antifreeze for an increase in protection of about 5 per cent. This board heard briefs also from the Canadian textile industry which, if given effect to, might well boost the price of men's suits by $2.50 to $5, and boost the price of finer woollens, such as women's skirts and suits, by as much as $10 a garment.

We hear complaints about the unbalance of trade with Britain and the loss of British markets. What could be more damaging, Mr. Speaker, in this connection than Britain's loss of her largest single item of export to Canada, which has provided her with an average of $30 million of Canadian currency each year? These are only two industries that have recently been openly asking for increases in protection. If increases are granted, we can surely expect others to get on the bandwagon and follow suit with similar demands.

On motion of Mr. Weselak the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Earlier today, Mr. Speaker, we were asked about questions and notices of motions for the production of papers. We shall call those on Wednesday, if that is agreeable to hon. members.

On Friday I was asked what the order of business would be should this debate wind up. Without being too specific now, because it would appear for the moment that my appeal has been in vain, sir, we would begin with the legislation standing in the name of the Minister of Trade and Commerce (Mr. Howe), and particularly the bill having to do with the maintenance of international river improvements. When second reading has been given, that will be sent to the standing committee on external affairs for consideration.

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

HOUSE OF COMMONS

Tuesday, February 1, 1955

The house met at 2.30 p.m.

HOUSING

CENTRAL MORTGAGE AND HOUSING—MAXIMUM SELLING PRICE POLICY

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I should like to inform hon. members that the maximum selling price policy Central Mortgage and Housing Corporation has been following in one form or another since 1946 will be discontinued effective today. As hon. members are aware, when a loan under the 1954 National Housing Act to a merchant builder was approved in respect of a house built for sale, a condition was imposed to the effect that only 90 per cent of the amount of such approved loan was advanced unless the house was sold at or below a price determined by C.M.H.C.

This policy was introduced to protect prospective home owners against unduly high prices which might otherwise have resulted under pressure of economic conditions which were encountered from time to time almost continuously since 1946. Conditions are now such that the continuation of this policy seems no longer warranted. In 1954 housing starts, including conversions, numbered 117,800, and completions 106,400. These are all-time records. As of January 1 there were approximately 71,000 houses under construction. New supplies of housing are such that competition itself can now provide a good measure of price limitation.

Our statistics show that approximately 70 per cent of the houses built by merchant builders under the National Housing Act are being sold at the maximum price as determined by Central Mortgage and Housing Corporation, 25 per cent are being sold below this price, and 4 per cent to 5 per cent above it. There has been a tendency since the new act came into force for the proportion of houses selling below the maximum sale price to increase.

The percentages that I have just mentioned are on a national basis. They vary somewhat from one locality to another. There are indications that in some areas the so-called maximum selling price has ceased to be a maximum and has become in effect a floor price. In other words, the ceiling price set by the corporation is susceptible to representation to purchasers as being the price at which the house must be sold.

I should not like to leave the impression that the discontinuation of the maximum sale price policy will at once reduce prices all across the country. In some areas and for some types of houses there may be a moderate tendency towards higher prices for a short period. However, the removal of control generally will stimulate competition in the house building industry and the home owner will in the long term, I believe, get more value for his housing dollar. That is the purpose of this move.

It is desirable that the maximum sale price restriction should be removed before the commencement of the building season. Therefore, as of today the policy will be discontinued. This will have application not only to houses to be started in the future but in respect of houses that are now subject to the price limitation but which have not yet been sold.

REQUEST FOR REDUCTION IN SALE PRICE OF HOUSES IN PETERBOROUGH

On the orders of the day:

Mr. G. K. Fraser (Peterborough): In view of the minister's statement that Central Mortgage and Housing is trying to give the home owner a little more for his money, has any consideration been given to lowering the sale price of Central Mortgage homes that are for sale in the city of Peterborough? I understand that there are some six or seven of them now vacant?

Hon. Robert H. Winters (Minister of Public Works): Central Mortgage has endeavoured to make very reasonable arrangements for the sale of these houses. I am not aware that a revision of the sale price is under consideration at the moment.

Mr. Fraser (Peterborough): They are priced too high at the moment.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 10, for the relief of Daisy Ruth Kirk Stanistreet.—Mr. Hunter.

Bill No. 11, for the relief of Irene Christina Edwards Mackay.—Mr. Hunter.

Proposed Legislation

Bill No. 12, for the relief of Barbara Elinor Richardson Jones.—Mr. Hunter.

Bill No. 13, for the relief of Wira Pushkar Tereshtshenko.—Mr. Hunter.

Bill No. 14, for the relief of Stella (Stephania) Burnatowska Holowaty.—Mr. Hunter.

Bill No. 15, for the relief of Harry Evert Finlayson.—Mr. Hunter.

Bill No. 16, for the relief of George James Nangreaves.—Mr. Hunter.

Bill No. 17, for the relief of Carmela Lanza Morash.—Mr. Hunter.

Bill No. 18, for the relief of Meyer Francis Doyle.—Mr. Hunter.

Bill No. 19, for the relief of Julia Mary Collen Dwyer Rose.—Mr. Hunter.

Bill No. 20, for the relief of Bela Koschitza Brawerman.—Mr. Hunter.

EMERGENCY GOLD MINING ASSISTANCE ACT

EXTENSION OF APPLICATION TO 1955 AND 1956

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

That it is expedient to introduce a measure to amend the Emergency Gold Mining Assistance Act to extend its application to the years 1955 and 1956, subject to certain modifications.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

CONSOLIDATION OF LEGISLATION—AUTHORIZATION FOR OPERATION OF TELECOMMUNICATION SYSTEM, ETC.

Hon. George C. Marler (Minister of Transport) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to consolidate the various enactments relating to Canadian National Railways into one statute, also, to provide that the Canadian National Railway Company may operate a telecommunication system, to authorize officers and employees of the Canadian National Railways to act as directors of partially-owned companies, to authorize the company to construct short lines without specific parliamentary authority and to operate motor vehicles and further to make provisions for extinguishing charters of constituent corporations.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

[Mr. Fraser (Peterborough).]

SHIPPING

SINKING OF ICEBREAKER "LADY GREY" AFTER COLLISION WITH FERRY "CITY OF LEVIS"

On the orders of the day:

Mr. Maurice Bourget (Levis): I should like to direct a question to the Minister of Transport. Has the minister been informed of the unfortunate accident on the river between Quebec and Levis this morning involving the C.G.S. *Lady Grey* and, if so, has he any comment to make?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, at 6.35 this morning the C.G.S. *Lady Grey*, a small icebreaker operated by my department, was breaking ice to facilitate the crossing of the river by the ferry *City of Levis* which operates between Quebec city and Levis. While this was being done the ferry collided with the *Lady Grey* striking it heavily on the port side. Because of the extensive damage the *Lady Grey* took water rapidly and the master was obliged to abandon ship. I understand that all hands on board were picked up by the ferry and are reported safe. I am also glad to be informed that there was no loss of life, nor were there injuries among the passengers of the ferry or among the crew of either vessel. The *Lady Grey* has sunk in approximately 100 feet of water off Beauport shoal which, however, is not in the navigation channel.

It has been customary for my department to provide icebreaker services of this kind at Quebec city in order to assist the ferry; in fact, just this week I received representations from the operators of the ferry asking for additional help because of ice conditions this winter. My officials are making a preliminary investigation pending a decision as to the establishment of a formal board of inquiry. I regret that I have no further information at the present time.

TRADE

REQUEST FOR STATEMENT ON GATT AND MEETING IN WASHINGTON

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I should like to ask the Minister of Trade and Commerce when we may expect to receive from him the statement on Canadian trade policy which he promised to the house on January 10 in his statement appearing at page 20 of *Hansard*. Will he be prepared soon to give the house some report on the negotiations for the renewal of GATT, and also of that meeting of the ministers held with United States officials at Washington on January 5 and 6?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Owing to the length of the debate on the address in reply to the speech from the throne, Mr. Speaker, it seemed to me that I could contribute more to the expedition of the business of the house if I refrained from speaking. I have heard no great interest in trade matters displayed in this debate, and perhaps in the circumstances the statement could be deferred until an appropriate bill is before the house or until later in the session.

Mr. Fleming: I ask the minister if he would not take into consideration the fact that a number of members in this house, in speaking in the debate on the address, have drawn attention to important matters pertaining to the condition of Canadian trade, and the consequent effects on the Canadian economy, particularly with the important conference on GATT, now proceeding, and that no report has yet been given to the house on the conference of ministers at Washington on January 5 and 6? Will the minister not now undertake to give the statement which he promised to the house on January 10?

Mr. Howe (Port Arthur): I have a speech prepared, Mr. Speaker, but on rereading it I find that the facts as disclosed by the bureau of statistics and otherwise are so favourable that I fear that I would again be accused of being an optimist.

Mr. Fleming: May I ask if the minister is not going to make—

Mr. Speaker: Order. Does not the hon. member for Eglinton think he has been given full latitude to ask his question? Not only did he ask his question but after that he made a plea that the minister should change his mind. What is he going to do now, ask another question?

Mr. Fleming: Yes, ask another question.

Mr. Speaker: I would say that, in certain instances, members are abusing the leniency of the Chair.

Mr. Fleming: May I ask the other question? It necessarily arises in view of the statement which the minister has made. Will the minister now give the house a report, first of all on the conference at Washington, and second, on what progress is being made in the negotiations for the renewal of GATT?

Mr. Howe (Port Arthur): I shall be glad to consider the hon. member's remarks and let him know later.

Inquiries of the Ministry

PUBLIC BUILDINGS

OAKVILLE—ARRANGEMENTS FOR EXCHANGE OF SITE

On the orders of the day:

Miss Sybil Bennett (Halton): I wish to address a question to the Minister of Public Works. In view of the fact that the estimates show that some $400,000 has been set aside for a new federal building in Oakville, would the minister state the position of the negotiations with the town of Oakville for an exchange of land to obtain a new site for the proposed building?

Hon. Robert H. Winters (Minister of Public Works): These are rather complicated arrangements, so perhaps I had better give a few details. With the knowledge and approval of the local authorities, plans were prepared for a new building on the site of the existing public building at Oakville. We were on the point of calling tenders when the city asked us to make the site available for local purposes and build on another site. This we agreed to do if the city would undertake to provide us with a suitable alternative site and pay the costs involved in making the change. A suitable site has now been designated and appraisals are being obtained. In the meantime, we are proceeding with the redevelopment of plans for a building on the new site.

GRAIN

FREIGHT ASSISTANCE—REQUEST FOR POSTPONEMENT OF CHANGE IN POLICY

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): Would the Minister of Agriculture consider postponing the change in policy respecting freight assistance on western grains and millfeeds, effective today, in view of the depressed conditions of the poultry, hog and dairy producers industries of British Columbia, with a view to changing this reduction in British Columbia to the same basis of reduction as Ontario and Quebec, namely $1.50 per ton.

Right Hon. J. G. Gardiner (Minister of Agriculture): I wish to thank the hon. member for giving me notice of his question. In reply, I would state that before the reductions were made in the payments on freight, full consideration was given to the situation which would exist following that reduction. I cannot see my way clear to suggesting that there will be any change.

Inquiries of the Ministry

Mr. Hahn: I should like to ask a supplementary question. Is the minister aware of the losses the poultrymen of British Columbia have suffered during the past two years?

WATER RESOURCES

CONSTRUCTION OF DAMS ON ASSINIBOINE AND SWAN RIVERS

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): I should like to direct a question to the Minister of Agriculture. Has the minister's attention been drawn to the dispatch in Friday's Regina *Leader-Post* to the effect that two dams on the Assiniboine and Swan rivers are being planned at a cost of about half a million dollars? Could the minister indicate when work might commence on these projects?

Right Hon. J. G. Gardiner (Minister of Agriculture): My attention has been called to the article in the press. It arises as a result of an address made by the supervisor of P.F.R.A. for that district at Kamsack, to a service club. It does outline the plans which are being made for the construction of dams, and they have been under consideration for some time. They are to control the flow in the Assiniboine river.

BUTTER

REPORTED CONSULTATION RESPECTING CONVERSION OF BUTTER TO GHEE

On the orders of the day:

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Would the Minister of Agriculture care to comment on the report that the United States government is considering converting a large quantity of butter into a product called ghee, and that officials of his department have been in consultation with United States officials in Washington toward that end? Ultimately the product is to go to India and Pakistan.

Right Hon. J. G. Gardiner (Minister of Agriculture): The hon. member gave me notice of his question yesterday, and I wish to make the following answer. With respect to the newspaper story originating in the United States, relating to the conversion to ghee, as far as I am aware Canada has not been invited to any meeting to discuss any such plan. The agricultural counsellor at the Canadian embassy in Washington, with whom we communicated by telephone, had no knowledge of any proposed meeting.

FISHERIES

NEW BRUNSWICK—REQUEST FOR EXTENSION OF SMELT FISHING SEASON

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I should like to direct a question to the Minister of Fisheries, or in his absence to his parliamentary assistant. Have any representations been made to the Department of Fisheries for an extension of the smelt fishing season in eastern New Brunswick? If so, has any decision been reached in that regard?

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): The hon. member was kind enough to give me notice of his intention to ask this question. Representations have been received by the department from fishermen and other interested parties, urging that the smelt season in New Brunswick and Prince Edward Island be extended. Representations have also been made to me by the hon. members for Restigouche-Madawaska (Mr. Boucher), Northumberland, N.B. (Mr. McWilliam) and Kent, N.B. (Mr. Michaud).

Since the catch this year is substantially lower than in previous years, and since unusually mild weather has curtailed the fishing of smelts through the ice, it has been decided to extend the season in New Brunswick and Prince Edward Island for a period of two weeks, which will bring it up to and including February 28.

PRAIRIE FARM ASSISTANCE

REQUEST FOR ASSISTANCE TO FARMERS IN INTERLAKE COUNTRY, MANITOBA

On the orders of the day:

Mr. William Bryce (Selkirk): Will the Minister of Agriculture, Mr. Speaker, tell the house what the government intends to do for the farmers in the interlake country where the Prairie Farm Assistance Act does not operate?

Right Hon. J. G. Gardiner (Minister of Agriculture): I have received notice of the question, Mr. Speaker, and I presume what the hon. member refers to is not the Prairie Farm Assistance Act but the Prairie Farm Rehabilitation Act.

Mr. Bryce: No, the Prairie Farm Assistance Act.

Mr. Gardiner: But the Prairie Farm Assistance Act applies all over the settled portion of the province of Manitoba, and the Prairie Farm Rehabilitation Act does not.

Mr. Bryce: Not in so far as the interlake country is concerned; it applies to the rest.

Mr. Gardiner: Well, the fact is that whatever is going to be done will be done by the provincial government, if they make application to us for assistance.

Mr. Bryce: Mr. Speaker, may I have the privilege of answering the minister?

Some hon. Members: Oh, oh.

Mr. Bryce: That is passing the buck.

Mr. Gardiner: Maybe for the benefit of the hon. member I should say a little more. The question of a five-year program between the government of Manitoba and this government with regard to the interlake country has been under consideration for some time. The proposal was that they should spend an amount which would figure up to about $300,000 a year, for five years, and this government has considered the matter and has agreed to co-operate with the provincial government who will actually spend the money for this year. The amount they propose to spend this year is $300,000, of which $150,000 would be paid by this government.

Mr. Bryce: Who spends the money?

Mr. Gardiner: The provincial government does the work.

NATIONAL DEFENCE

CIVILIAN USE OF LONG BRANCH RIFLE RANGE

On the orders of the day:

Mr. Roland Michener (St. Paul's): May I ask a question of the Minister of National Defence. What progress is being made in freeing the Long Branch rifle range for one or other civilian uses which are under consideration, or have been under consideration?

Mr. J. A. Blanchette (Parliamentary Assistant to the Minister of National Defence): Mr. Speaker, in the absence of the Minister of National Defence (Mr. Campney) I shall take the question as notice.

MEAT

IMPORTATION OF LAMB PRODUCTS FROM NEW ZEALAND

On the orders of the day:

Hon. W. Earl Rowe (Acting Leader of the Opposition): Mr. Speaker, in view of the rapid drop in the price of lamb on the Toronto market I would like to know if the Minister of Agriculture would give us something further, as he intimated yesterday he would, when he said he would have more information today regarding the importation of New Zealand lamb.

Inquiries of the Ministry

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the Acting Leader of the Opposition asked his question yesterday and at that time I could only say that the matter had not been brought to my attention. When I returned to my office I found there a letter, which I presume is similar to the one he received, from the livestock people in Toronto. I have checked up since that time, and I wish to give this information to the house.

The Canadian lamb market has been steady to strong at $23 to $23.50. The average price for good and choice lambs at Toronto for January a year ago was $23.26.

Canadian lamb prices are substantially higher than prevailing prices in the United States. The price for good and choice lambs at Toronto was from $2 to $3 higher than Chicago prices. During the week ending January 27 the average price for good and choice lambs at Chicago was $19.90 as compared with $23.21 in Toronto. Owing to the strength of the Canadian market and the difference between Toronto and Chicago markets for lamb, some 450 head of live lambs have been imported from the United States this year to date.

In view of the strength of the Canadian lamb market it can hardly be argued that the importation of New Zealand lamb has seriously depressed prices, but it would seem inevitable that there would be some softening of Canadian prices to bring them into a more comparable level with U.S. prices.

If necessary it may be noted that the trade in lamb and mutton as between Canada and the United States is of a reciprocal nature. While some lambs are being imported during the period of seasonally low marketings, last year some 2,248 head of feeder lambs were exported to the United States and in addition almost 100,000 pounds of dressed mutton and lamb was also exported to the United States.

There is no prohibition on the importation of lamb into Canada. The only government regulation is the imposition of a duty—½ cent per pound for New Zealand and Australia—and anyone may ship lamb into this country who is able to do so over the duty. Since there is no government control there is no occasion for the government to seek or obtain advice from exporters or importers as to their operations or intentions with respect to lamb shipments.

Imports of New Zealand and Australian lamb and mutton for recent years are as follows:

1951	3,385,587 lb.
1952	2,402,712 lb.
1953	2,942,489 lb.
1954 (10 months)	6,555,618 lb.

Inquiries of the Ministry

During the early part of January of this year one shipment of about 250,000 pounds of New Zealand lamb was imported.

Mr. Rowe: I would like to ask a supplementary question. Was the minister not aware that the market had dropped from 23 cents to 19 cents in Toronto?

Mr. Gardiner: This report indicates that the price in the United States is $19.90 a hundredweight in Chicago and $23.21 in Toronto. There would naturally be a levelling off of the prices of lambs here on account of imports from the United States.

Mr. Rowe: Why? We do not need to have our prices fixed there.

Mr. Gardiner: There is a duty of 7·5 per cent. It would come in over that duty.

TAXATION

REQUEST FOR COMMENT BY MINISTER ON SPEECH IN WESTON

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I should like to ask two questions of the Minister of Finance. Was he correctly reported as saying in a speech at Weston last Thursday or Friday, referring to the tax rate:

> Unless we can find ways of lowering the defence expenditures there won't be much change.

Second, if so, do the estimates he tabled last Friday indicate a sufficient lowering for this purpose?

Hon. W. E. Harris (Minister of Finance): Speaking at Weston I made the point, made by many persons discussing the financial position of the government of Canada, that the two large items of defence and welfare were the ones which gave the greatest possible scope for reduction in spending. I drew no conclusions as to which could possibly be reduced, or should be reduced. And, so far as the future is concerned, the budget will no doubt disclose whether these cuts have been sufficient for the purpose of cutting taxes.

Mr. Fleming: May I ask the minister if he would be good enough to answer my questions?

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, January 31, consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Rowe, and the amendment to the amendment of Mr. Coldwell.

Mr. A. B. Weselak (Springfield): Mr. Speaker, when I moved the adjournment of this debate last night I was discussing the matter of tariffs and their effect upon our economy, and had pointed out that if the United Kingdom lost her wool markets in Canada she would lose $30 million annually in Canadian currency with which to buy our products.

Reference in this debate has been made by opposition members to the decrease in exports to the United Kingdom, particularly in relation to farm products. In this connection I believe consideration should be given to the prices at which these products are laid down in the British market by various countries as compared to the relative wholesale Canadian prices of these products.

The figures I propose to quote are for the month of February 1954, and the prices in England are landed cost excluding duty.

UNITED KINGDOM AND CANADA

Prices of Specified Commodities

	February 1954	
	¢ per lb.	¢ per lb.
UNITED KINGDOM	England	Montreal
Beef and Veal fresh from:		
Australia	17·6	
New Zealand	17·1	33
Uruguay	19·7	
Argentina	21·4	
Bacon		
From		
Denmark	28·4	
Poland	28·3	68
Netherlands	28·4	
Butter		
From		
Australia	41·7	
New Zealand	41·5	62·7
Denmark	42·7	
Cheese		
From		
Australia	24·5	
New Zealand	24·2	32
Eggs		
From		
Australia	50·6 per doz.	
Ireland	44·6	52·4
Denmark	49·8	

These figures I believe illustrate that this problem has not arisen as a result of the marketing policies of this government, but has arisen as a result of increased competition from countries where production costs due to natural conditions are comparatively lower.

I have been much more disturbed recently by certain muted murmurings which have emanated from certain sections of our farm economy, indirectly asking for sectional protection or advocating policies which only can be made effective by the provision of embargoes and restrictions on imports which I

believe, certainly as a general policy, are contrary to the interests of our farming communities. The advocates of these policies may by their schemes ease a temporary difficulty, but in many cases their ultimate effect and the problems arising in the course of their administration will give birth to policies which eventually may be of tremendous consequence and of detriment to those who advocated them in the first instance. I would like to quote briefly from a statement made by the Canadian Federation of Agriculture in regard to tariff policy, where the position of agriculture is ably stated:

> Like the Canadian economy as a whole, Canadian agriculture is in the last analysis dependent upon a strong and growing export market for its products. The relatively high level of tariff protection which has over many years been afforded to Canadian manufacturing has always been a burden upon the Canadian farmer dependent as he has been for the most part on the level of world agricultural prices. While it is realized that a policy of tariff protection creates patterns of economic activity that cannot be discarded over night, Canadian agriculture strongly supports the broad policy of gradual tariff reduction, and liberalization of trade, which the government of Canada has followed over the past number of years.

I believe this statement concisely and aptly expresses the views of agriculture on the tariff problem. In my constituency, the farming community is passing through a very difficult period. We did not have the exceptional crops in the past three years which were experienced in many parts of the west. This year, owing to excessive rains, seeding was delayed and in many cases flooding and wet conditions prevented crops being sown. The crops which were sown suffered severely from rust damage and army worms, with the result that quality and yield were very low. The exceptionally wet fall defied the heroic efforts of the farmers to salvage what little crop there was, with the result that while it was gathered in some areas, in others over 50 per cent remains in the field, hammered into the mud by rainfall and wet early snows. The farmers in Springfield, while they have prospered in past years, this year are faced with a serious problem.

The agricultural community was settled largely by the influx of immigration at the turn of the century, and the people who settled this area came to this country with very little wealth and settled lands which required considerable clearing, draining and works before it could be brought under production. However, they by sheer hard work have evolved one of the finest farming communities which now has largely passed to their children, the first generation of native Canadians. These people who developed our farming communities knew little of agricultural stability, knew nothing of parity or floor prices, but nevertheless banded together in marketing associations for their own benefit and protection, a movement which eventually gave rise to the establishment of the three large western grain pools and other co-operative marketing agencies, and the eventual establishment of the wheat board. At the same time, however, farming was not the mechanized operation it is today. Horses were commonly in use and, if oats were not available, a horse could do a fair amount of work on hay though he usually lost weight in so doing.

The point I am trying to illustrate is that in order to farm today the farmer to operate efficiently must have cash, and if not cash then credit; otherwise he cannot operate. Every farm operation on today's mechanized farms now requires the farmer to pay out cash, and the net result is that cash revenues are today far more important than they were in the past. As a result the farmers in Springfield, apart from those who have been established and have reserves, face an immediate cash situation which is of serious proportions. I realize that the prime responsibility in this case lies with the municipal and provincial authorities and not with this government, but it is nevertheless a problem which will recur and perhaps some study should be given toward evolving some method of alleviating these temporary hardships. It is true that the Prairie Farm Assistance Act provides certain benefits where crops fail, but unfortunately in our area crop conditions vary almost from farm to farm, with the result that the qualifying patterns under the act debar farmers from receiving any benefits under the act even though their individual cases warrant aid. In addition to this the cost of operating and cultivating land in the fertile heavy soils of the constituency are substantially higher than those in many parts of the west, and correspondingly yields are generally higher than the western average yields.

The net result has been that Manitoba farmers have not benefited as a whole from the scheme to any substantial extent, with the result that in the past few years considerable agitation has been evident among grain growers for some amendment or alternative which would meet Manitoba's peculiar problems. For every dollar paid into the fund, Manitoba farmers have received 30 cents, Saskatchewan farmers $2.50 and Alberta farmers $1.70. The province of Manitoba was keenly aware of this problem and

at the last session a committee was set up to study the matter and report to the government. This committee has held hearings at many points in the province and has heard several hundred briefs submitted by individuals, farm organizations and others. The magnitude of the problem has not been minimized by the provincial authorities and the multitude of schemes proposed by interested individuals and organizations indicate that there is no easy solution to the problem. The one definite fact that has emerged from the hearings is that the present inflexibility of P.F.A.A. is not satisfactory in Manitoba and that it will have to be either modified or replaced by some other measure which will operate to the advantage of the Manitoba farmer even at extra cost if necessary.

In view of the fact that the report of the committee is expected this year, I do not propose to draw any conclusions or suggest any remedies at this time. I do not feel that an increase in payments, as suggested by the hon. member for Rosthern (Mr. Tucker), while desirable and necessary, will solve the problem in Manitoba; the problem goes much further and we in Manitoba await with considerable interest the findings of the provincial committee.

A great deal has been said in this debate regarding the drop in farm income and the price squeeze which is presently causing difficulty in our farm economy. I do not propose to deal with the detail as it has been put on the record by government and opposition speakers who preceded me in this debate.

In the course of the past year, the wholesale price index for farm products dropped from 212·9 to 203·8 and the index of farm costs rose from 231·1 to 238·7 in August of last year; the indications are that this has risen since August. The spread last January was 18·2 points and this has now increased to over 34·8 points.

I believe this illustrates a trend which has continued for the past year and which ultimately if continued even with average production will destroy the small margin between cost of production and cash returns. In my opinion the index figure, being a related price figure, is generally more significant than total income decline figures which are affected by decreases in volume of production, generally due to natural conditions over which no control can be exercised.

Since the inception of the Agricultural Prices Support Act, a total of $80,163,658 has been expended by the government in the utilization of the revolving fund of $200 million provided for at that time. Of the sum of over $80 million expended nearly $69 million was expended in connection with the outbreak of foot-and-mouth disease in Saskatchewan in February of 1952, with the result that the actual cost of the program has been approximately $11 million or an average of approximately $1¼ million a year over the past eight years.

The result of this program has been, and it has had that effect, of stabilizing the prices of farm commodities. It has worked particularly well in the case of butter, which prior to the application of price supports suffered wide fluctuations in price, with the result that when the producer had the product to sell his returns were comparatively low.

At the comparatively low cost of $1¼ million a year, a measure of stability to agriculture, and as a result to the Canadian economy as a whole, of inestimable value was achieved, far outstripping its relative cost.

The act as passed by parliament provides, in subsection 2 of section 9, that:

> In prescribing prices under paragraphs (a) and (c) of subsection (1), the board shall endeavour to ensure adequate and stable returns for agriculture, by promoting orderly adjustment from war to peace conditions, and shall endeavour to secure a fair relationship between the return from agriculture and those from other occupations.

Steady and continued increases in labour income can be largely attributed to the continued expansion of the national labour force; but nevertheless, we are all aware that substantial increases in return for the individual efforts of labour have occurred in past years, which is as it should be.

However, the farmer has as a general rule been required to purchase the commodities he requires at a price related to Canadian production costs, while a substantial bulk of his production has been sold in Canada and abroad at prices related substantially to the world economy, with the result that a disparity has existed and is now being accentuated.

The intention of parliament in 1945 was obviously to provide a fair return to the farmer. Owing to exceptional conditions in the past few years, farm production in general was well above normal, with the result that the farm economy remained fairly buoyant despite declining prices. Conditions have now changed, and immediate study will have to be given to the situation. The government has at its disposal competent economists and statisticians who are quite capable of analysing the situation, getting down to the bottom of the problem and recommending remedies to alleviate this situation.

I appreciate the action on the part of the government in the past in maintaining price support on butter, providing it for hogs and

eggs when prices fell substantially, and in March of 1953 under the Fisheries Prices Support Act of purchasing one and three-quarter million pounds of fish from fishermen in Manitoba for which there was no apparent market.

I realize that support of prices in this country creates a problem in the disposal and sale of our products in world markets, and therefore their application cannot be indiscriminate. Nevertheless I feel that continued and more extensive use of these provisions will have to be made in accord with the intention of parliament as expressed in the statute by the government to bolster a declining farm economy.

Since our agricultural problems are not of a static nature but are changing ones, I believe that the remedy lies, not in inflexible price supports but rather in flexible supports which can take into account existing factors which vary from time to time. The experience of the United States in this respect and their present attitude are stated by Mr. Ezra Taft Benson, secretary of agriculture, in the *Atlantic Monthly* for July 1954, at page 53. Regarding inflexible price supports he had this to say:

> Our problems today center in the necessity of shifting from an agricultural economy of practically unlimited wartime demands to the more moderate demands of peacetime, while providing reasonable protection for farm income. The present farm program employing emergency, wartime, rigid price supports for a few important commodities is impeding such a transition. To a marked degree it is making an orderly transition impossible.
>
> The present program has a number of flaws—
>
> It results in unbalanced production through rigid supports on some commodities for which demands are decreasing.
>
> It encourages a build-up of surpluses which in turn depress prices.
>
> It discourages sound soil conservation practices by maintaining artificial demands for some soil-depleting crops.
>
> It tends to price certain commodities out of both domestic and foreign markets and thus stimulates use of less expensive substitutes.
>
> It destroys the function of price as a brake on overproduction.
>
> It fails to provide reasonable protection for 60 per cent of our annual farm marketings which are not under price supports.
>
> It provides the greatest help to those who need it least—the low-cost, big-volume producers—the least help to small marginal producers.
>
> It creates the complex problem of what to do with land taken out of production because of severe acreage controls.
>
> It provides for such drastic production restrictions that even with high price supports income is seriously jeopardized.
>
> On top of all these disadvantages, the present program has not prevented a decline in net farm income for five out of the past six years. Under this program the government now has between 6 and 7 billion dollars invested in commodities whose prices are being supported. More than 2·5 billion of this amount is represented by commodities whose prices are being supported. More than 2·5 billion of this amount is represented by commodities actually held in government storage. The balance has been loaned on commodities a large part of which will eventually wind up in government hands. These surpluses hang over the market. They depress prices. They drain off taxpayers' dollars day in and day out. The cost of storage alone is running more than half a million dollars a day.

On the other hand, regarding flexible price supports, his observations were as follows:

> Flexible supports provide for some price fluctuation to keep supply and demand in better balance, while at the same time placing a strong floor ranging between 75 and 90 per cent of parity under the prices of basic commodities.
>
> They produce greater stability in farming operations and in farm markets.
>
> They encourage sound farm management practices.
>
> They create better price equality in relation to other commodities.
>
> They assure abundant food supplies for consumers at reasonable prices.
>
> They stimulate expansion of market outlets at home and abroad.
>
> They hold production controls to a minimum.
>
> They give added incentive for conservation and soil improvement.
>
> They encourage efficient use of agricultural resources.
>
> Flexible price supports will promote these goals with a maximum of reliance on the co-operative and competitive efforts of free men and a minimum of dependence on government control.

In conclusion, I would like to briefly discuss another aspect of the farm problem and that is the need for a scheme of long-term credit for the rehabilitation of young farmers on farms. The amount of capital required today to establish and equip an economic farm unit has been estimated from $15,000 upward. The farm unit as it exists today is generally a family farm and as a rule forms all the worldly assets of the head of the family. In the event of the death or retirement of the head, the problem arises as to who shall carry on the farming operations. In the event of death, debts have to be paid and as a rule interests of other heirs settled. In the event of retirement, sufficient moneys have to be provided for the security of the retiring head who has through many years of labour established his equity in the farm.

The young farmer is faced with a serious problem; as a rule he is a competent, well-trained farmer who, in the majority of cases, through devise or devolution in the case of death, or by gift in the case of retirement, has a small equity in the farm, but the bulk of the money required to settle remaining equities must come from somewhere.

The farm improvement loans do not meet the situation; the limitations applied by the Canadian farm loan board, which has not been designed for this purpose, do not permit a solution to the problem. Loan and insurance companies do not either; in fact

in Manitoba they have practically withdrawn from the long-term credit field in agriculture. The net result is that in many cases the farm is sold to a neighbour, or neighbours, a competent farmer is lost to agriculture and to Canada and he drifts into the labour stream in which he must re-educate and re-adapt himself as best he can.

Following the last war this government embarked on a scheme which has had singular success, and I refer to the work that has been done under the Veterans Land Act. Dealing with full-time farmers alone, 25,938 were approved for settlement and the record shows that only 2 per cent paying annually or semi-annually are in arrears in excess of $200. The success of this scheme encourages me to urge the government to give consideration to the advisability of providing long-term credit loans to young deserving farmers, with proper and adequate safeguards, thereby providing a solution to a problem which is plaguing our younger farmers throughout the country.

Mr. R. W. Mitchell (London): Mr. Speaker, in rising to take part in this debate hon. members will be glad to know that I will not keep their attention for more than a few minutes. I say that for two reasons. The first is that the speech from the throne was so devoid of anything of a constructive nature that there is little to be said about it. The second reason is that I deplore repetition and any repetition which I may make of previous remarks will be purely for the purpose of emphasis.

I should like at the outset to conform with tradition by congratulating the hon. member for Verdun (Mr. Leduc) and the hon. member for Trinity (Mr. Carrick) upon their addresses to the house. I feel that both expressed foresight and progress which seem to be sadly lacking once members of the machine have been in the house long enough to be suppressed and made to conform.

The speech itself was a masterpiece of double-talk. It was full of sound signifying nothing. This government has looked back into the past and has failed entirely to forecast or foresee any sound measures for dealing with the economy as we face it today. I submit that we are committed to a policy of bungling along without any plan or program and without any rhyme or reason. We are destined, for another year at least, to be governed by a self-satisfied government with neither initiative nor vision. Order in council is still senior to the will of this house. Without planning, each crisis has to be faced in a spirit of crisis, met with catch-as-catch-can remedies, and without preparing any ground for the future. Shakespeare put into the mouth of Lear the words: "Nothing will come of nothing." I submit that that is a suitable epitaph with which to bury and forget the speech from the throne on this occasion.

The subject of unemployment was conspicuous by its absence. Much has been made of the amendment to the Unemployment Insurance Act, which, I submit, is nothing more or less than a sedative or palliative and is much the same thing as administering morphine to a person who is suffering considerable hurt. It does not go to the root of the trouble. It does not cure the ill.

We are told there is no problem. But, Mr. Speaker, I submit that examination of the figures produced by this government itself indicates that the unemployment situation in this country is not only severe but is growing worse. We are told it is seasonal and sectional. We are told that we have a greater working force than ever before. There may be and probably is some element of truth in these statements, but they are half-truths at best, and half-truths are dangerous.

The basic problem, however you clothe it, is to provide an opportunity for work for every Canadian who is able and willing to work so that he may be able to play his part in the development of this great country.

I was gratified to note that amendments will be introduced to the War Veterans Allowance Act, and to the Blind Persons Act. We have been pleading for these on this side of the house for some considerable time and it is our hope that the remedies offered will be neither too little nor too late. It is our hope that they will not be merely temporary stopgap remedies but that they will go to the root of the problem and solve the misery and the troubles which have faced these classes of persons for many years.

I was also personally gratified to note that amendments are to be introduced to the Railway Act and to the Municipal Grants Act. I say that not only because of the relief which will be offered to municipalities, but also because they point up a much broader picture which I wish to discuss. During the last session it was my privilege to speak in this house with respect to the continuing problem faced by municipalities in the raising of sufficient taxes to enable them to carry out the purposes and objects of municipal government.

I am not naïve and accordingly I do not believe that these remedies, these pieces of legislation, are to be introduced as a result of what I said. There must have been many others from all sides of the house clamouring at the cabinet door to produce this sudden about-face.

We have learned to be grateful for small morsels which fall from our master's table, and these measures, if and when they are introduced, will we hope be something more than small morsels.

Referring to the Municipal Grants Act, may I point out specifically as an example that the total assessment in the city of London is some $146 million and that the assessment of federally-owned property is some $4 million. I have heard, and seen in the press and elsewhere, various suggestions as to what form the amendments are to take, but on any basis there is going to be some relief for municipalities, such as London, which have a high proportion of federally-owned property.

The Railway Act amendments will be welcomed, particularly by those hon. members who represent large cities. The government apparently has finally seen the necessity of curbing the damage and destruction which is wrought by level crossings in our cities and towns. They also apparently have finally seen the necessity of maintaining an even flow of traffic rather than creating and continuing the bottlenecks which tie up our cities many hours during the day.

May I once again be specific about London. London is fortunate in that it is served by the two major railways. It is unfortunate in that these two railroads divide the city into three almost equal parts, and in the centre of these parts is located the bulk of the industry and business life of the city. It is apparent from that that the bulk of our working force must at least twice a day cross one or the other of these railways. It is also apparent that those who wish to go to the business area or to the shopping area are in the same position.

May I say that on the C.N.R. there are only three major north-south routes on which there are overpasses, and on the C.P.R. there are none. For verification of my remarks with respect to the hold-ups with which traffic is faced I would refer hon. members to Mr. Donald Gordon, with whom it was my pleasure and privilege to sit at a major London crossing for 15 minutes last summer while he witnessed one of his trains being made up.

These temporary measures do not answer the problem. They simply perpetuate the inroads which this government has made into the tax dollar. The provinces and indeed the municipalities continue to be the victims of the tax grab and they have lost the right or the opportunity to govern or maintain themselves financially. Only so much of the dollar which is earned can be put out in taxes. The field has been exhausted and the municipalities are faced with a complete inability to increase their mill rate and therefore must accept the charity of this government. This is a policy of self-perpetuation. The municipalities cannot bring themselves to bite the hand that feeds them, particularly when that hand controls the larder as effectively as does this government.

It is therefore my earnest hope that the government will enter into conferences in a spirit of co-operation and not of domination so that out of them may come a new tax formula as a result of which the provincial and municipal bodies will be able to enter into the field themselves.

I suggest there is no person more capable of governing his house than the master of that house. I am at times the master of my own house and I do not welcome advice or influence from outside. But I suggest that municipal councils and mayors are the persons in the best position to decide how and where municipal funds shall be spent. They are on the spot. They have the firsthand knowledge but they must have the money. Therefore, Mr. Speaker, I suggest to the government that as a measure of good faith instead of making grants in lieu of taxes they pay taxes to the municipalities on federal holdings. Second, I suggest that they reduce their taxes thereby enabling the municipalities to increase theirs and avoid the necessity of municipalities coming to the federal government for grants.

May I now refer for a moment or two to one of the depressed industries about which we have heard. I refer to the textile industry of which I have some little knowledge, but I am satisfied that at least some of my remarks will refer to other industries in the same boat. I presume that as soon as one mentions that hateful word "tariff" one is branded as a high tariff man, and I refer to the word "tariff" as a means of protection, not of taxation. I suggest to the house and to the government that it is high time that we took a realistic view of tariffs and thereby protect our Canadian industries and our Canadian workers.

We have tariffs and we may as well accept the fact. My colleague, the hon. member for Queens (Mr. MacLean), illustrated that most adequately yesterday from the cradle to the grave. These tariffs apparently are designed for two purposes. One is protection and the other is taxation. With the latter I cannot agree. A tariff for the purpose of protection, to be adequate today, must be examined in the light of today's conditions.

By way of example may I refer to tariff item 523b which deals with woven fabrics, wholly of cotton, printed, dyed, or coloured, and I will touch only the most-favoured-nation

column which provides that these fabrics, if valued at more than 80 cents per pound, are subject to a tariff of 17½ per cent and 3 cents per pound, if valued at 50 cents or more but not more than 80 cents per pound, a 22½ per cent tariff, and if valued at less than 50 cents per pound, a 25 per cent tariff. I suggest that these tariffs were designed to enable our Canadian manufacturers to compete in the range of low priced cotton goods. We recognized the fact that we probably could not compete economically in the higher priced range of cotton products, and therefore certain protection was given.

But, Mr. Speaker, we must now examine these particular tariffs in the light of changed conditions. The price of cotton has risen. What was formerly 50 cent cotton, and accordingly given some measure of protection, is now in the bracket of high priced cotton and does not receive the same protection as it did. Second, let us not forget the fact that the value of the Canadian dollar compared with the value of the United States dollar has drastically changed.

Another problem of the textile industry has to do with the marking regulations passed under the National Trade Mark and True Labelling Act. Perhaps I should say that the problem has to do with enforcement and the additions which should be made to these marking regulations. That it is not a small problem may be indicated by the fact that imports of certain types of hose from and including July of 1953 until and including June of 1954 amounted to 1,169,025 dozen pairs for a value of $5,710,935. There are two particular aspects of this imported hosiery to which I wish to refer. The first is that so far as I can find there is no requirement that the country of origin be stamped on these items. Yet I have with me, Mr. Speaker, a pair of white ankle stockings which were sold over the counter of a store as being made in Canada. They are not made in Canada; they are made in the United States.

The failure to stamp the name of the country of origin in the case of the United States, Spain and Japan is enabling certain people to sell foreign products to Canadians who are conscious of the need to buy Canadian and desire to do so. We are defeating our purposes. We are trying in one breath to educate Canada and Canadians to buy Canadian, and then we permit certain of our citizens to sell products made in the United States with the statement—oh well, they are made in Canada; you prove me wrong.

The second aspect of these marking regulations requires that I refer to the hosiery marking regulations issued on the 14th January, 1953. Paragraph 5 provides in brief, and I will not quote it, that if there is more than one item contained in a pair of hosiery they must be marked equally if the hosiery is stamped, with the largest component being named first. They also provide that where there is less than 5 per cent of the material content in the hosiery, excluding toe and heel reinforcing, they may not be marked or described in any manner whatsoever.

This particular pair of white stockings which I have in front of me has in the centre of the marking in large capital letters the words "combed cotton". Immediately beneath that in the same size lettering is the word "nylon", and if you look very carefully and have good eyes you can see below the word "nylon" the words "reinforced toe and heel". The first reaction in looking at that is that they are "combed cotton nylon". That would be my reaction, but I am not a shopper. The second reaction would be that there is certainly nylon there, and even if you read all the words you see it is "combed cotton nylon reinforced toe and heel". To which part of the stamping does the word "nylon" refer?

These stockings have no nylon whatsoever except in the reinforcing of the toe and the heel. My plea is that we assist one of our staple industries to assist itself by enforcing and, if necessary, expanding these regulations so that Canadians who are conscious of Canada's future can be in a position to buy articles properly marked.

Lastly, I wish to say simply one word about the centennial the city of London is celebrating this year, to which reference has already been made in the house, and to extend a most cordial invitation to members of the house and to their constituents to visit us and help us in the celebration of our one hundredth anniversary.

Mr. J. M. Dechene (Athabaska): In rising to ask for the privilege of speaking in this assembly, Mr. Speaker, I wish to immediately assure this audience that I have a special reason for doing so, otherwise I would not inflict a speech upon them. Today, sir, I believe I am qualified by age and by experience—

Mr. McIvor: Hear, hear.

Mr. Dechene: —to speak on a matter of very great importance to the province from which I come. During the year 1955 we shall celebrate the golden anniversary of the entry into this confederation of the great province of Alberta. I feel it is proper for me to speak because, in looking over the records, I find that of the men who took part in the development of Alberta, those who

were there from the beginning and who contributed to its success, there are only two left in public life. I refer to the Hon. Senator MacKinnon and the member for Athabaska (Mr. Dechene).

As I looked back upon those fifty years, I felt that I had a duty to perform and an obligation to fulfil to those people who made it possible for members to come here to represent Alberta. There is some history attached to this which I believe, unfortunately, has been overlooked. During the last few weeks and months competitions have been held in the schools of Alberta. Students have been asked to write about the province, and prizes have been offered to those who write the best articles. So far as I have been able to discover, however, no one has made any reference to how this province came into being or to the men who were responsible for this great development in the west. If I mention Alberta particularly, it is because other men better qualified than I am will speak for Saskatchewan and also because the territorial government had its headquarters in Regina for many years. The people in that province were used to government, but we in Alberta were in the outlying area near the Rocky mountains.

We did not have any experience in government, but we were proud to achieve the population which warranted this House of Commons passing the Alberta Act in 1905, declaring that on September 1, 1905, Alberta would become a province. A lieutenant governor was named and appointed. He chose a temporary government which, later in the fall, had to go before the public for either support or rejection. May I mention the names of some of these men who did so well? The first premier was the Hon. A. C. Rutherford, from the town of Strathcona on the south side of the river Saskatchewan. He handled also the portfolios of education and finance. He had experience because he had sat in the assembly at Regina for a number of years. He chose as his cabinet colleagues the Hon. W. T. Finlay of Medicine Hat, minister of agriculture; the Hon. W. H. Cushing of Calgary, minister of public works; the Hon. C. W. Cross, Edmonton, attorney general; and Mr. De Veber of Lethbridge, as minister without portfolio, a very able man who later became a member of the other house and who, of course, has long since departed.

As I said, there are only a few left to bring back the memory of this great achievement, and it was an achievement. In 1892, 63 years ago next April, my father went west as a homesteader with a family of ten. After the construction of the Canadian Pacific, the west became stagnant. Up to that time, there had been some advancement, some settlement, and then it died out. Many of us, and I was one, had to come back east to try to find employment. There was nothing in the west for a young fellow to do. We sold our oats for 15 cents a bushel. Sometimes we got 17 cents and we were very happy. We had to put the oats in sacks and carry it up to the warehouse where we emptied it into bins. There were no elevators in those days, and I did that.

Then Sir Wilfrid Laurier came into office. At that time he chose as his minister of interior and minister of immigration one of the outstanding public men in the west—although I did not always agree with him—Clifford Sifton of Brandon, later Sir Clifford Sifton. He initiated a new policy of immigration designed to bring about progress in the west. We had tried to get people from Ontario. We got some, the best, because they had the spirit of adventure of their ancestors. We got some from Quebec and from the maritimes, but only a few.

The government therefore opened the gates to settlers from other countries. These people saw the possibilities in the rich soil of the west, and they were looking for freedom and liberty. They promptly accepted the invitation to come to this land, where they could in a few years become Canadians and enjoy prosperity and freedom. I recall very well when they started to come. I went back to the west in those days because my father wrote and said there was something to do; there was a new deal in the west and prosperity was coming back. He said we were going to build more railroads, and we were going to bring in a lot of people.

How well I remember all this. If I recall these events to the house, it is only because of the historical value. Thousands of people poured in from central Europe, the British Isles, from the Scandinavian countries and from across the line. Some came from Ireland, some of the best. They took advantage of what we had to offer, our fertile soil, our freedom and our laws. They came by thousands.

In 1903 I went back to the west. My father said: "Now, there is a new deal here; come on home, son. There is work for you here." I went home on the train with immigrants because it was cheaper and it was more interesting. I recall leaving Montreal, and I believe it took us eight days to travel to Calgary. We then had to take a small branch line—I forget the name of it—which ran from Calgary to Edmonton. The train was loaded with immigrants, most of whom came

from central Europe and the Scandinavian countries. There were a couple of carloads of people from the British Isles. They were happy. I recall walking through the train watching these people and thinking how far away from home they were. They came from Galicia, a province in Austria, from Bukovina, some from Germany and from Scandinavia. They had been told by those who came in the advance guard what we had to offer in the west. It took eight days to travel to Calgary, and then I had to take this train to Edmonton. If I recite these facts, it is only because I have something on my mind. I bow to my friends from the west, who were there in those days—and they were important days for us. We landed in Strathcona, on the south side of the river. There was no bridge at that time. Well, perhaps that is not quite correct, because there was an old river bridge. Most of the people went down by tallyho—four horses going along at about 25 miles a hour. It took a good man to ride with them; in fact most people did not dare to do it, because it looked dangerous.

Then, there was a little train, a little railway—and perhaps it was the shortest railway with the longest name that has ever been known in the world. It was the Edmonton, Alberta, Yukon, British Columbia and Pacific Railway, and travelled about five miles. It just had to go down a hill, and up again. And I say all this because I think there is something of great importance attached to it.

Instead of taking the tallyho, as we called it, which ran downhill at breakneck speed—although I was not afraid of it; I was almost a cowboy in those days—I rode the train. It consisted of four wooden cars, loaded to the roof. And as we went down that hill we could see the lights across the river on the heights of Edmonton.

On that occasion I saw a man up at the end of the car. He was a tall man, a fair man, evidently a Scandinavian, and he began to sing. Mr. Speaker, it has been my lot at times to hear some fine singers. I have listened to Caruso, on gramophone records; and yet I must say that I never heard anything finer or better than that Scandinavian—although, unfortunately, I could not understand a word he said.

It was obvious however that he was singing a song of farewell to the country he had loved, and from which he had come, and at the same time a song of welcome to the country to which he had come—a country so vast, with its limitless prairies. But this man was pleased; he felt strong—a regular Viking, coming to a new land. And he sang all the way along, until everyone was spellbound.

As I say, I did not understand a word he said; but one could understand his feelings. Here was a land of liberty, a land of plenty, a land that gave scope for his strong arm and for his will, he was singing to it. Those of us who were there never said a word, all the way along. We just listened to that magnificent song. No speech could have expressed better the meaning of his song.

And when we got to the top of the hill—and, Mr. Speaker, it took us a long time—we got off at Edmonton. My folks were there to meet me—and I hope, Mr. Speaker, that I am not wearying the house, because I do not speak in this way simply to relate a personal matter but rather to illustrate the development that has taken place out there. Immediately I told my father about the man I had heard singing. It seemed, I said, as if he loved this land, and I said that I believed I loved it more since I had heard him sing. I did not realize the value of what we have, did not realize as well as this man who had come all the way across the seas, and who sang about the wonderful things we have here—the size of it, the breadth of it.

Everybody was so happy in those days. That was a time when there were no strangers: we were all brothers in the west. The old-timers from out there will remember that.

Then some years later I happened to be electioneering north of Edmonton, not for myself but for the great architect of Alberta's destiny, the late Hon. Frank Oliver. And, away beyond Edmonton, perhaps some 30 or 35 miles, I called at a nice, tidy little shack which had been placed in a clearing in the bush at a place then known as Independence. It was clean as a whistle, good buildings, well kept fences. The man came out to see me, to welcome me. I looked at him and at once recognized the same man I had heard singing on the train. But now he could speak English. That man was still singing, but singing louder and better than ever. He was singing about the possibilities of this great land. And when I speak today I do so to draw the attention of hon. members in the House of Commons and to those who come from the west to the fact that in those early days we were happy; we were proud of ourselves. We did not ask for any government favours. We would have been insulted if anyone had offered us something for nothing. And that was the feeling throughout the land.

I mention this because, as a result of a great immigration policy, the land of the west became cultivated, villages were built across the prairies, and railways were constructed. And, referring to railways, I can remember Frank Oliver repeating day after day and year after year the necessity for

railway competition, because we were then at the mercy of one line. If oats went up a cent a bushel in British Columbia, then the freight rate went up by that amount. We could sell nothing at a profit.

And then the Canadian National Railways came along, and the Grand Trunk, and there was competition, bringing hope to the land. The population increased rapidly, and two new provinces were cut out of the prairies—Saskatchewan, and the one in which I am more interested, Alberta the sunny.

Then the first war came along and created a condition over which no government, provincial or otherwise, had any control. In many areas there was dissatisfaction among the people; there was division and discord. The west was ranged against the east. Then in 1921 I believe I was the only survivor in the northern part of the province of the Liberal legislature which went to the people in the month of July of that year. I believe there were nine in the whole of the province who survived, five of whom were in Edmonton—and I recite these things, Mr. Speaker, because in the minds of some people both here and elsewhere there appears to be the idea that Alberta was born either in 1921 or 1935.

Alberta has been looked upon right in this House of Commons, sometimes through the eyes of a banker whose name I will not mention, as something quite different from what it is. I do not need to mention his name, because some of my friends over there have named him often, and have recited his opinions to the house. Of course we are talking about a province in which everything had to be done—the building of the legislative buildings, the erection of normal schools and public schools, the building of roads and bridges—all those things. The entire province had to be covered by a brand new government, and the revenue to do this had to be found. We did not listen to the banker, because if we had done so we would not have a province out there, even yet. But as public men we knew it was our duty to provide facilities for the settlers, those who had had the courage and the fortitude to go out there and carve out a little kingdom for themselves.

Perhaps I should say in passing that I am not speaking from notes, but that I am freely asking you to join us in our golden anniversary celebration in Alberta the fair, which has contributed so much to the advancement and the welfare of this country. And we have only begun, as everyone knows.

In a few months at most enough gasoline and oil will be produced in Alberta and Saskatchewan to supply the entire Canadian market.

Millions and millions of dollars' worth of new wealth has been created by the people of our provinces of the west for themselves and for the people of Canada; but I want to pay a tribute through you, Mr. Speaker, to a class of our people in that land who in some parts of the country are referred to as immigrants. Well, there is nothing wrong with being an immigrant. We are all immigrants; we emigrated from somewhere in this country or from some other lands not so long ago.

Take that country north, east, southeast and northeast of Edmonton, all around Edmonton clear up to the Peace river. In that area you will find men and women who came from Europe, from the Ukraine, from Germany, from Poland, from the British Isles, from Scandinavia and from other countries. I hope some of you will have the privilege of visiting Alberta next summer when we celebrate our jubilee. If you do you will see miles and miles of countryside, right up to my section, a distance of 175 miles, which 50 years ago was wild but today is a garden of Eden growing everything under the sun. You will see the sod shacks and mud houses have disappeared and now there are the finest of homes to be found anywhere. You will see silos and thoroughbred cattle in the fields. I admit to you, sir, that I resent the picture that is often painted of my province of Alberta. From 1921 to 1930 we were called the I.O.U. province. They cannot call us that any more because we have paid off all our debts at a high interest rate.

I want to pay this tribute to the Ukrainians. It is not a matter of politics. Do not worry; I am not going to bother you again after this parliament, but I should like to also pay this tribute to the Poles, the Germans and the Scandinavians who are all far away from home. I should like to tell you a story about them. I should like to tell you what they have done. Today in the public life of the west you will find men of the second and third generation in important positions. You find them in the judiciary; as you know, you find them in our parliament. You find them in our legislatures, and you find them in our cabinets in the western provinces. The mayor of Edmonton, the booming and greatest city in the west, nobody can deny that, is a second generation descendant of a pioneer settler. His ancestors, whom I knew very well, came from a part of the constituency of Athabaska. I want to praise them publicly for the tremendous achievements they have made.

It was easier for us from old Ontario, Quebec and the maritimes. I admit we were pioneers in the development of the west, but

it was easier for us. They were great men and women but it was easier for us because we were in our own country. We knew the rules and the languages. I am proud to say to you this afternoon, sir, there are thousands of those Ukrainians, Germans, Poles and Scandinavians in the constituency of Athabaska. We have the greatest respect for one another. I say to you publicly in this house that these men and women have done a wonderful job in the west.

When we talk about 1903 I want to show you how the policies, politics and the vision of public men influenced the people of the country. You could find the same feeling all over the land, ambition, belief in the country, confidence in its future. Sometimes some men in public life have made it their business to try to destroy that confidence, to destroy in the souls and in the hearts of these men and women the spirit of Canada, the spirit of the pioneer. I can boast that I was one of them, and I can boast, sir, that I never had to ask any favour from any government. I am proud and pleased that God gave me life to be able to make these remarks today without any preparation. I did want to pay tribute to that valiant population.

I want to describe to you this afternoon the visit of Sir Wilfrid Laurier. When the western provinces entered confederation, Laurier did not send a messenger to Regina or Edmonton; he came himself. I do not think there was any greater public man. There may have been others with more ability but I am not going to make comparisons. Comparisons are odious. What I wish to say is that there was no greater lover of Canada, no greater advocate of its possibilities, no greater friend of the western prairies—that spirit still lives in our Minister of Agriculture—than Sir Wilfrid Laurier.

Frank Oliver would wake up at two or three o'clock in the morning to go to meet a settler coming from the country to see what he wanted, and what he could do to help him out. That was the spirit we had in those days in the west.

Sir Wilfrid Laurier came to Edmonton, and I should like to remind the house of this because I think it is worth-while. Crowds came from all over the countryside. There were perhaps a dozen cars in the city of Edmonton those days; there were none in the country. People came from all over the country with the horse and buggy and the wagon; some came with oxen and some walking in order to hear Wilfrid Laurier, the champion of western Canada's advancement, progress and settlement. If I should live a thousand years I shall never forget the speech he made. It was a masterpiece not only in eloquence but in patriotism. I well remember the welcome he gave us. He knew them all. Thousands were there and many came from other lands. I should like to repeat some of the words he used in his welcome. He said: Many of you came here from other lands, from central Europe, from the United States, from the British Isles. You know now how welcome you are in this land of the free and the brave. I want to give you some advice. I give it to you as an old man getting on in years and as prime minister of this country. We are not asking you in Canada to forget the land of your ancestors. No, do not do that. We know that every nation in the world has many things to be proud of. Nobody has a monopoly of courage and of intelligence in this world. Remember the land where your ancestors lived, struggled and died, because if you remember the land of your ancestors you will be better citizens of the land in which you are now making your home and where your children will take your place and carry on. He said: "Remember the past, remember your land, remember the old country; but I am asking you today, when this land is becoming a province, a new jewel in the crown of confederation, which is today the most brilliant with its tremendous resources, to think of the future. Remember the past, but think of the future. Think of your children. Be grateful to the people of Canada who spent money and who granted you the privilege of coming to live in a land where you can be free."

There may be lots of good lands in the Ukraine, some as good as any that can be found anywhere in the world, but there was one thing lacking, namely, freedom, liberty of expression, liberty of thought, liberty of religion. They found that, sir, in Canada. This year we are celebrating our golden jubilee in this fair land of ours.

I am not sorry that all through these years it has been my first love. I say to you Canadians through this forum of the Canadian people, through this parliament, that this celebration, which will run from June to September next, is worthy of the sons and daughters of Saskatchewan and Alberta who came into this confederation on September 1, 1905. I have argued very often in this house, not through ill will, that we should never forget what we have contributed to the wealth of this nation, although sometimes we are accused of asking for too much. Unfortunately there are speeches made to gain some local advantage, some political kudos, because of the great majority of people on the western plains, but we are not asking for any favours.

I know I will be pardoned if what I say at this stage is said without any more preparation. I do not write my speeches. I have some notes with me that have been made hastily. I do not write my speeches, first because it is a rule of this house and, second, because I believe that I know enough about this country of mine to speak about it without having to write or having somebody else write notes for me.

So on that September 1 we did see a wonderful picture up that hill. I think I have said this once before. I do not think that anywhere in Canada you will find a more magnificent setting for a celebration than those flats down the river below that big hill on which is situated the hotel Macdonald at Edmonton. The spectacle is magnificent. You have the Saskatchewan river flowing through there to lake Manitoba and lake Winnipeg. There is the magnificent site on which the city is built. The trees across the river were in their full early fall foliage. The people gathered, on what was called the Ross flats. They were settled first by an old Scottish Liberal named Ross and they still carry the name of Ross flats. There was no city then, it was just a garden. I do not think that I ever saw a better show anywhere in the world than I saw that day.

May I say in a spirit of unity and not at all as a partisan that as a Canadian I do not ever want to hear a word about our immigration policy. I know the wealth it has produced because there were no other hands available. They could not get them anywhere else.

I want to end with this message. You will find courage and fortitude in the west. It has been said that the soil is fertile in the west, that everything will grow there. We have had some bad years, but is there any country in the world which has not had bad years? That soil will grow grain; it grows flowers to that height, and it raises the finest livestock. It even grows ideas. People think it will grow money. The only way I found to grow it was by earning it.

I say to hon. members of this house this afternoon that, from their hearts and souls, they say to their constituents throughout this country when June 1 comes around and Alberta begins its celebration of its golden anniversary of joining this great country, they have a thought for Alberta and to those who are so inclined to raise a toast to the people of the province of Alberta.

Miss Sybil Bennett (Halton): Mr. Speaker, during the course of this debate we have heard much about the greatness and magnitude and intrepid nature of this great land to which we belong, and not the least of these have been the words of the hon. member who has just spoken. But after all we must return to the more practical consideration of conditions as they exist in this country. Listening to the speeches that have been made over the course of days and weeks it seems to me that hon. members of this house, particularly those to your left, Mr. Speaker, have set out most clearly the conditions as they exist today in this country.

I think there is only one conclusion and one deduction that can be drawn from what has been said, that is that the speech from the throne no longer performs the function and purpose it was originally intended to perform. The speech from the throne should contain a forthright, honest, down to earth statement of conditions as they exist, these conditions as they relate economically and socially to this nation. In a like manner this government should set forth in clear and concise language how they intend to deal with conditions as we find them today.

Judging from what I have heard in this distinguished house there are four or five problems with which the people of this country and this government in particular must deal. There is the problem of unemployment. There is the problem of the loss of our markets internally and externally. There is the reduction of national income, nationally and individually. There is the question of the development of the natural resources of this country and the reassessment of their potentialities. There is the question of overtaxation as it relates to unemployment, loss of markets and the shrinkage of national and individual income.

I say that this government should forthwith and without delay make an honest and thorough examination of the basic causes underlying unemployment in this nation as we have it today. In the same forthright manner, after this examination has been made remedies should be suggested and brought forward in order to cope with the situation.

I realize that the government has provided legislation for additional unemployment insurance benefits and we welcome it. Projects are provided for public works. In my own constituency $400,000 has been allotted for a new federal building. But these things do not go to the root of the matter. They are only palliatives. They do not deal with the situation of unemployment in this country. As has been said by other hon. members, the unemployment situation is far from being seasonal and regional in character.

In a like manner this government should consider the reason for the loss of our markets. At the same time they should consider and set forth a policy whereby we shall retain, regain and find new markets. This government should examine the whole situation with regard to our natural resources and their potentialities in order that we may be able to increase our productivity and produce more in this nation without increasing costs of production, and thus be better able to meet competition. We must reduce the cost of production and in that way compete more favourably in the markets of the world. In that regard I think there should be a complete overhauling of taxation in this country so that it will improve the lot not only of the provinces but of the individual throughout Canada. This house and this government must give the leadership so that men and women in industry and in every profession and business will know what this government intends to do and how it intends to cope with the problems facing this nation at the present time.

What we need is a national policy and that national policy should be conveyed to the people of this country so that they realize what we are trying to do. I know that in the last 10 or 15 years this nation has enjoyed great prosperity and it is easy to coast along on the tide of that prosperity. But, with all due respect, Mr. Speaker, I believe that the prosperity we have enjoyed has not been provided by this government nor has it been provided by any single hon. member in this house. We have enjoyed that prosperity because we have, as the last hon. member who spoke pointed out, magnificent natural resources and potentialities, added to which we have a people of genius, of great inventive resource who have worked hard to turn out the products which this nation has been selling on the markets of the world.

On the other hand, the countries which have bought from us have, for various reasons, now developed their own productive capacities so that the situation is now entirely changed and we no longer find we have ready markets throughout the world. We no longer find we have places in which to sell our products and we are now forced into the open market and indeed a highly competitive market. These countries are now selling in the open market at prices with which we cannot compete, with the result that we now face a problem of unemployment while so many of those countries are enjoying total employment and renewed prosperity.

As all other hon. members in this house, I must examine the policy, or shall I say the lack of policy, of this government in the light of business conditions and unemployment in my own constituency. I have the honour to represent one of the finest constituencies—and perhaps I should say the finest constituency although other hon. members may not perhaps agree—in the whole of Canada. In the county of Halton we live in the very heart of the greatest industrial development to be witnessed in this nation, and what I have to say about the county of Halton and its needs directly or indirectly applies, I presume, to every other constituency across this country. In the past two or three years we have seen a tremendous and unprecedented development. We have, I believe I can safely say, hundreds of new industries, large, medium, and small, coming into our county, and following this we have had a great development in the construction of new homes. With the entry into our constituency of hundreds of families fine rolling areas of land there have been turned into great suburbs. Municipal governments all over the county have had to provide for this great new development by building roads, providing water and sewage facilities, and providing the schools and other facilities which are required to meet this new development. They have had to do this despite the lack of proper tax arrangements and only through which it would be possible to bear the brunt of the development which is taking place.

In this regard I wish to again emphasize to this government that what is required immediately is an entire new revaluation of the taxation system in this country so that at the federal, provincial and municipal levels we can have a more even distribution of taxation, and so that those municipalities which are responsible for and are really guiding the development of this nation at the present time will have sufficient means through taxation to carry the brunt of the development now taking place.

If that is not done the fact is that the small home owners—and not the large property owners—who have built their little homes in thousands all across the country will have to bear the brunt of the cost. At the present moment they are bearing the brunt of this tremendous and expensive development, but they cannot continue to do so indefinitely and a redistribution of taxation is now required so that the average home owner will receive assistance perhaps through the provision of additional income tax exemption which will compensate him for the extra taxation he is now paying. It must be remembered that through this industrial development a great deal of benefit will accrue in the ultimate analysis to the federal treasury of this country.

I would now like to say a word to hon. members from the western provinces and from farming communities throughout the country. We too are a great farming county and we are very proud of our record in that respect in the county of Halton. Indeed, we have the wheat king of the world, Mr. W. E. Breckon, living in that county, and last year Mr. Breckon who farms 300 fine, rich, rolling acres down in Burlington was adjudged at the royal fair to have grown the finest wheat in the world. I therefore say, with all due respect, but with a great deal of pride that I, as the representative of that county, can take my place with hon. members from most of the great western provinces in Canada.

In addition to that we are a great dairy industry county. We have one of the very finest milk producing herds in the whole of Canada. But for our farmers in that county, and indeed all across the country, there are many difficulties to be overcome, despite what the Minister of Agriculture (Mr. Gardiner) may have said in this house, for they are now receiving less income today than they have received at any time during the last seven years. They cannot find markets for their cattle, hogs, sheep, cheese, or butter and one of the facts that we tend to lose sight of is that over two million people in this country are directly or indirectly dependent upon farming income.

That does not take into consideration the literally hundreds and thousands of men and women who derive their living supplying various needs and necessities to farmers. Over two million people in this country have had their incomes reduced. They are not able to buy the things they are accustomed to buying. In that connection it must be remembered that the average farm family, being almost an enterprise within itself, buys four times the amount bought by a family living in a city. We must remember that if the farmer does not have the income, if he does not have the purchasing power, then that very fact is going to be and is being reflected right across this country and is one of the reasons for the present unemployment.

Turning back to industry, may I say that we have many large electrical industries in my constituency making heavy equipment, and industries making small electrical wares. In every instance these industries are on short time. They are laying off men because they are unable to compete in the markets of the world. They are not even able to compete in the markets of their own country, because wares produced at a very much lower cost are coming into Canada and are being sold in our markets.

That is just one instance where we must decide what we can do along the lines of research, along the lines of bringing about greater productivity at lower cost in the industries of Canada and increasing our efficiency in order that we may be able to compete. Of course there are the textile industries, and they are in a most unhappy and unfortunate position. Everywhere in the county these textile industries, some making cotton goods and some woollen, have either closed down or are on short time. The same is true of the leather industries. They are not able to compete. The men and women who worked in these little industries have had to find work elsewhere. They have not been able to meet the mortgage payments on their homes or pay their municipal taxes. They have not been able to go to the storekeepers and buy what they used to buy.

In every part of the dominion we see the result of the loss of markets in the decrease in individual incomes. As all hon. members know, I am always asking questions about the Ford plant. I have been making remarks about the Ford strike, and have been talking about the 15 per cent tax on cars. The Ford plant in my constituency is the largest in all Canada under one roof, and in that plant are employed at the very least 2,700 men. As other hon. members will know, the loss of income to these men was felt very deeply. It has been estimated that during the strike each man lost $1,250. He has not had that money with which to pay his taxes and meet the interest on his mortgage.

Let me say here that I have talked to a good number of these men, and they tell me they have mortgages under the National Housing Act. They tell me they have not been able to meet their mortgage interest for two or three months, and the minister who is in charge of these matters should give consideration to their plight. There are 9,000 men affected in the automotive industry in Canada, and many more thousands in subsidiary industries. It is to be hoped that these men will be given an opportunity to catch up on their payments now that they have returned to work.

The foolish part of the whole thing is that the government should consider that the 15 per cent tax levied on cars should be imposed because motor cars are a luxury. That is unrealistic, improper and not in keeping with the business outlook of this nation. It is not in keeping with a proper economic outlook, and does not take into consideration conditions in this country. I want to remind every hon. member that 83 per cent of the motor cars driven on any given day in Canada are

driven for necessary purposes and not as a luxury. One in 15 of all men and women employed in Canada today is employed in the automotive industry. What greater opportunity could there be for leadership on the part of the government at this time, what greater example could they set, than to announce that the 15 per cent tax on motor cars will be removed? After all, the luxury tax has been removed from mink coats and many other things which are really luxuries.

If the government want to set an example, if the government want to give leadership they should announce at once, when the automotive industry is trying to get back on its feet—an industry that is so important to this nation—that this tax will be removed. That in itself would give confidence and an impetus to the industry and would give notice to every other concern in the industrial life of the nation that the government intend to lead the way in lowering the cost of production by lowering the taxation that is being borne by industry and by individuals today. In other words, Mr. Speaker, we have come to the point of too heavy taxation and diminishing returns, and throughout the country we see the results in unemployment, loss of markets, loss of national income, indeed in the very development of the natural resources and great potentialities of our nation.

I ask the government to consider this matter and take action without delay. I ask them to give leadership so that workmen, industrialists, men and women in every walk of life right across the nation will be given ambition and a sense of responsibility.

(Translation):

Mr. Alexis Caron (Hull): Mr. Speaker, I am happy to join those who have already congratulated the mover (Mr. Leduc) and seconder (Mr. Carrick) of the address in reply to the speech from the throne. I particularly wish to refer to the mover who, with wonderful rhetoric, told the house about the special culture which we receive in the province of Quebec.

(Text):

On this day I should like to recall one historical fact. On the 1st of February, 1882, there was born in the eastern townships of Quebec a man who was marked by Providence to become one of the greatest men we have known. This man today is away from our country working for the betterment of the world. He is absent from the country, but we want to tell him that not only the members on this side of the house but all members desire to wish the Prime Minister of this country a happy birthday.

[Miss Bennett (Halton).]

On January 27, after listening to the hon. member for Vancouver-Kingsway (Mr. MacInnis) refer once again to the question of minorities, in answer to a speech previously delivered by the hon. member for Pontiac-Timiskaming (Mr. Proudfoot), I decided to place my name on the list of speakers. I have noticed that many members in certain parts of this house seem to be completely lacking in any historical knowledge of this country. The subject of minorities was injected into the debate on January 12 in a speech by the hon. member for Burnaby-Coquitlam (Mr. Regier) who decided that after spending a few hours in Montreal, with his super intelligence, he had seen enough to speak for the people of Quebec.

In case anyone might think I am not speaking the truth, I shall quote the hon. member's words from *Hansard* for January 12, page 120:

> This province—

Meaning the province of Quebec.

> —seems to be the sore spot in the matter of Canadian unity.

All these remarks seemed to be made in the name of national unity. Why did the hon. member say that Quebec was the sore spot in national unity? At the end of that paragraph he went on to say:

> We do not want to handle divorce cases in the parliament of Canada.

On the same page he said:

> . . . "What about this question of divorce?" The people of Canada are getting sick and tired of it. There is one man who can help us out of this situation and that is the Prime Minister (Mr. St. Laurent). I feel that if he does not do so, he will have failed in one of his greater responsibilities.

The hon. member believed the Prime Minister should establish divorce courts for Quebec and Newfoundland. For the people of Quebec, who are mostly French Canadians and Catholics, the question of divorce is more than a question of breach of contract. We still believe there is a moral question involved of much more importance than the material question. We still believe that we were placed on this earth not only to live happily, not only to earn money, not only to earn honours but also to obtain the goal for which we have been created, eternity.

It is for this reason that we oppose divorce. In our opinion marriage is not only a civil contract but is a sacrament, and we have no right whatever to touch a sacrament. This question is not the property of the governments of this country, it is the property of those who have responsibility for the morals of the people. I am in agreement with the hon. member when he states he believes these cases are not studied fully by the Senate or the House of Commons committees.

I am in agreement with him when he states that many of the witnesses brought before those committees are fake witnesses who have built up a case that does not represent the true facts.

I recognize those facts, but there is another aspect of the matter. These hon. members do not want to study divorce cases from the province of Quebec, so I feel the only thing for them to do is to make it impossible for divorces to be granted by parliament. Then if people from Quebec want a divorce they will have to move to some other part of this country. In that way everybody will be happy. We will not have to discuss this matter any more in parliament. The people of Quebec do not want divorce courts in that province and will never accept them. We believe that this is a matter for the religious authorities, not for the civil authorities.

This hon. member went on to speak about national unity. He said, as recorded at page 121 of *Hansard* for January 12, 1955:

> My forecast is that when that tide turns in the province of Quebec it is going to turn mighty fast. My greatest concern is that it may turn to the communist party. I contend that there is no part of Canada that is as ripe for advances by the communist party as the province of Quebec. In the city of Montreal the communist party polled about as many votes as the C.C.F.

So far as the polling of votes is concerned, I believe that is proof that the population of Quebec is not ready for communism. If there is one party in this house that has never clearly explained its views on private property, it is the socialist party. They have never given the complete facts concerning their intentions toward private ownership, and it is for that reason that the people of Quebec are afraid of the C.C.F. party.

Furthermore, I believe that when the hon. member says Quebec is ripe for communism he completely ignores the history of that province and the principles of those living in that province. If there is one province that will stand against communism as long as there are moral values, it will be the province of Quebec. Attached as we are to our religion, which from the beginning of time has been the opponent of new doctrines that have come into the world from time to time, we will be the last to accept any ideas which even resemble communism.

This is one of the reasons the socialists are not accepted as yet in Quebec, even if they are not communists. We are afraid of their ideas. We are afraid of the way they are treating the question of national unity in this house. I really believe, Mr. Speaker, that there is no more danger of the people of other provinces turning to communism than there is in Quebec. There is always a minimum number of people who believe in trying any new thing that comes into the world, but those people do not form the majority in this country. Certainly they do, and always have, formed the minority in the province of Quebec.

What are the facts that prompt the hon. member to think in this way? It is because he believes the educational system is so poor. He said:

> The people of Quebec are suffering. They are subjected to double taxation and they are not enjoying the facilities in the field of education which they would like to have, which they ought to have and which they deserve as Canadian citizens. They are not receiving adequate health services to which they are entitled.

Mr. Speaker, in the field of education we have plenty of proof that our system is not as bad as some would have you believe. The hon. member for Vancouver-Kingsway said, speaking to the hon. member for Pontiac-Timiskaming:

> May I tell the hon. member, and any other hon. member who does not know, that under our constitution in British Columbia we have a free, non-sectarian public school system.

And then again:

> Not only is our school system free and non-sectarian, it is also compulsory.

And later on:

> I have never known of a parent coming to courts in order to get a school to accept his children.

First of all he speaks about non-sectarian schools. That is exactly what we do not want to accept; and in the province of Quebec we do not want the Protestant minority to be forced to accept non-sectarian schools. We believe in the Almighty, and we believe that the most important thing in life is to get ready to go to heaven when the time comes. Even the greatest of riches in the world cannot gain us that privilege, if we have not prepared for it.

That is the reason we believe that Christian education should have its beginning in the schools. It should begin in the lowest schools, and should be kept up as long as a person goes to school. We believe there should be the same privilege for the Protestant minority; and in the province of Quebec they have and they use that right to have Christian education given the children in their schools. This is the first thing the Catholic does to prepare himself for that great voyage. And that is what we want to do, not only in Quebec but wherever we have a certain number of French Canadians or Catholics.

If the hon. gentleman had stayed in the province of Quebec long enough to make a study, he would first of all have studied the history of that province, a province which in history is the backbone of the whole country. He would have come to the conclusion that in the province of Quebec the

system of education is divided into two committees. There is, first, the Catholic committee which looks after all the Catholic schools in that province. This committee is composed of bishops and an equal number of Catholic laymen who are there to study the situation. They meet three or four times a year and decide what the Catholic schools require in order to function and give moral education, as well as physical and intellectual direction.

In addition to that, and completely independent of the Catholic committee, there is the Protestant committee of education. It is composed of some of their ministers and an equal number of laymen of the Protestant faith. It is they who decide upon the training they require in their schools. The Catholics do not vote whatsoever to tell them what to do.

And, even though they are divided into two committees, the provincial government gives just as much to the Protestant schools as they need—just as much as they give to the Catholic schools. In the school system of Quebec there is no double taxation whatsoever, because the money comes from the same source, and we want to use it for the children, whether they have Protestant or Catholic parents. It is not the Catholics who decide what kind of education the pupils will get in every school in Quebec. That is something the hon. member would have learned if he had stayed more than two hours in the province.

To develop the subject a little more, let me say that in the city of Hull, on the other side of the river, 6 per cent of the population was Protestant, but with the increase in population their school was a little too crowded. They needed more space. Well, the government of Quebec has given them a good Protestant school, one which could serve as a model for any province in the Dominion of Canada. The government bought the school the Protestants had and gave it to the Catholics, who are now using it for a classical course. It is known as ecole Marie-Mediatrice.

This was given so the Protestants would have a bigger school, and at the same time it gave the smaller school to the Catholics because they were smaller in number. And this has been done throughout the province of Quebec, particularly in the eastern townships, where conditions have changed. There was one place where there was a big Protestant school, much too big for the population, and a small school for the Catholics. The Catholic population was increasing, so the government gave the small school to the Protestants and paid them the difference between what they had spent on the larger school. Then the large school was given to the Catholic population.

[Mr. Caron.]

That is the way we understand national unity in Quebec. That is why we do not like people from outside, people who have not stayed long enough to know what is going on, coming to this House of Commons or to any part of the country and making speeches in which they tell us that we are in danger of becoming communist partisans in this country of ours. Education in the province of Quebec has been given fairly to Catholics and Protestants. Lately the government in that province has given grants to universities—Laval, Montreal and McGill. And let me say that the biggest grant was given to McGill, a Protestant university, because they were in greater need than Laval or Montreal.

This is what I call fairness; this is what we call British fair play, in the true sense of the word. Is that practised throughout this country the way it is practised in Quebec? Catholics want to have their schools so they can teach the love of God from the very beginning of the school years. They do not want non-sectarian schools, in the name of national unity, and they say they give everyone the same chance. We hear of people speaking before the United Nations and in other places about the rights of man, freedom of religion, freedom of speech, freedom of choice, freedom of all those things.

Mr. Thatcher: Would the hon. member permit a question?

Mr. Caron: Yes.

Mr. Thatcher: I think he wants to be fair. I wonder if he realizes that it was his own party that was in power in British Columbia until a year and a half ago. While I have sympathy for the viewpoint he has expressed concerning schools, I think he should realize it was his own party that has prevented that very thing.

Mr. Caron: I will admit that. But even if my own party is at fault, then my party is at fault and I admit it. Would my hon. friend do the same?

Mr. Thatcher: The hon. member has asked me a question. Speaking personally, I would not.

Mr. Caron: I am glad the hon. member realizes that sometimes we can be fair. Well, I would not accept this treatment from any party, whether it be Liberal, Conservative, C.C.F., Social Credit or anything else. It is not fair; and I claim that we need fairness everywhere; not only in the province of Quebec, but in the whole country. As they said during the French revolution, "O liberté, que de crimes on commet en ton nom!" And one might say here, "Oh, national unity, what crimes were committed in thy name."

Mr. Speaker, I do not want to take up too much of the time of the house. I hold in my hand clippings from English language newspapers in which citizens have been writing in favour of the province of Quebec. One of them, Mr. Arthur G. Penny, had this to say in an article which he wrote:

> Because they feel that they have too often been misrepresented unfavourably, Quebecers who have a keen self-pride, are eager to be known as they really are.

Further on he says:

> Accordingly, the columns of *Concord*, a French language publication, have been thrown open to the present English article, the writing of which has been entrusted to a Quebecer of English origin in the person of myself.
>
> The Quebecer is religious, imaginative, cultured and artistic.

He goes on to say:

> Other obsolete but wounding disparagements had it that Quebecers were "backward" in such matters as education and public health. Today they take second place to no other part of Canada in their attention to public health: infantile mortality has been drastically curtailed and the scourge of tuberculosis has been brought under control. The educational system was never so much inferior to as it was different from that of English Canada and the United States, being designed to serve the distinctive needs of Quebec's chosen way of life.

I should now like to refer to a social bulletin which came to my attention and which has the following heading: "French-Canadians and Confederation". The bulletin was written by Murray Ballantyne. If hon. gentlemen would read this bulletin through to the end they would learn a little more about the province of Quebec. It is a fact that once in a while we may have disagreements with our provincial government, but we have to know the background of the province of Quebec to understand them clearly. I do not agree with everything that has been done, but I have to admit that in some parts of this country the French Canadians have been treated in such a way that we have a certain reluctance to accept anything that comes from elsewhere. It may be a mistake, but we have to be clear on these questions.

I have spoken in English this afternoon because I wanted to be understood. It would be much easier for me to speak in French. I hope this will be clearly understood. In the province of Quebec we are doing everything we can to help Canadians become more friendly. I try to learn more about others. We try to listen to what they are saying and we try to understand them, but it is practically impossible for us to do so in certain parts of the country.

I do not want to accuse all members of the C.C.F. party of this, because I admit that the leader of the party seems to be a man of great knowledge, but he is like a man trying to ride a pair of broncos. He is having a great deal of trouble. I sympathize very much with the leader of the C.C.F. I sympathize also with some other people. They tell me the hon. member for Burnaby-Coquitlam is a school teacher. Well, if he teaches school in the way he tries to teach the House of Commons I really feel sorry for his pupils.

Mr. Dufresne: We have learned a lot from him anyway.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I left the province of Alberta in 1918 with my parents. After listening to the hon. member for Athabaska (Mr. Dechene) this afternoon, I was almost tempted to let the Alberta blood in my veins dominate to the point of going back; until of course I recalled some of the items I have been reading in the local press of Comox-Alberni about the snowdrops that are blooming out there and the spring flowers that are now coming forth, and I must confess that in spite of the eloquence of the speaker I decided that I would remain on Vancouver island. However, I shall be quite happy, if the opportunity affords itself, to accept his invitation to see Alberta celebrate its golden jubilee next summer. I did have the privilege of seeing Alberta in its greenery last summer, and also some of the other parts of the great country which the hon. member for Athabaska so eloquently described.

Consequently I have been quite interested during the session to hear some of the speeches that have been made by hon. members from the province of Newfoundland, such as the speech made last night by the hon. member for Humber-St. George's (Mr. Batten). Had they waxed as freely and as eloquently about their province and some of its problems during last session as they have this session perhaps I would not have needed to travel four thousand miles or so to realize some of the things I learned about it, or perhaps would have had a little more background prior to my arrival.

One of the phrases used by the hon. member for Humber-St. George's in his speech last night rather intrigued me. If I caught him correctly he made some reference to what he called "itinerant victims of a midsummer night's dream." Just for a moment I thought he intended to throw some bouquets in my direction. However, I quickly realized that I was in error in that assumption, and that undoubtedly he must be intending the reference to apply to that ex-Winnipegger who now sits in this house as the Minister of Citizenship and Immigration (Mr. Pickersgill).

The thought occurred to me, while he was speaking, that it would really be quite interesting if at some time the minister would tell hon. members the full story of what I will call the Bonavista gunpowder plot. I am informed on reliable authority that the surplus of gunpowder from that particular operation undoubtedly puts Bonavista among the major arsenals of democracy, and I am sure the citizens of that town could, if the necessity should arise, create quite sufficient noise to scare away any stray gunboats or submarines that might chance to roam into that part of the Atlantic ocean.

Speaking purely as an impartial observer I will say that the remarks of hon. members from Newfoundland come fairly close to expressing some of the needs of the people as I saw them there. I realize that they were exercising that delicate restraint which hon. members on the opposite side of the house always use when they are drawing the attention of the government to the fact that there are a few unsolved problems among the people back home.

Last year when we were discussing the Emergency Gold Mining Assistance Act I made reference to what I termed the patchwork policy which the present government adopts. Since that time summer suns have come and gone, rains have fallen and some of those patches and the fabric to which they were attached have become a little more bleached, a little more soil-worn in the course of the normal usage that has been given to government policy by the exigencies facing our economy.

From such indications as we have had so far I must say it would appear that the government is going to continue with a similar policy. I am quite willing to concede that the government is capable of some very fancy stitching when attaching the patches; in fact, by and large it is a most competent seamstress. In other words, at times some of their patches seem to be attached with what I would term rather fancy feather-stitching. Nevertheless this patchwork policy seems to be continuing, and I have been wondering why this is so.

Hon. gentlemen opposite appear to be sincere and at times intelligent, and I am rather puzzled why they appear to be content with this hit and miss type of policy. A possible explanation appears to be that the government has fallen victim to what I would term a defensive attitude; they seem to be always on the defensive. I think this would apply equally to their policy on national or international level. In doing so I suppose they

are only falling in line with an attitude which appears to have become all too prevalent in what we call the western world.

From time to time I meet people who say to me rather proudly that they like to call themselves liberals with a small "l". I have been reflecting on the fact that I cannot recall having met anyone who said to me in that same proud tone of voice that he called himself a conservative with a small "c". I have come to the conclusion that probably the reason is that the people who might call themselves conservatives with a small "c" are afraid that by so doing they might be labelled Liberals with a large "L". In other words the government sitting opposite is a Conservative government regardless of its label, and has adopted a Conservative defensive sort of attitude.

I listened last Friday to the speech of the Minister of National Defence (Mr. Campney) in which he gave a summary of his visit to Europe and his inspection of some of the operations of the NATO forces on the continent. I have no quarrel with the minister for making the sort of speech he did. He reported to us, as is his responsibility as a minister of the crown holding the portfolio which he does. But to me that speech of his was typical of this defensive attitude. The brief reference he made to the fact that as a result of certain actions that were being taken we were shortly to have some German divisions to me seemed to indicate a certain smug satisfaction that everything was all fixed up and that was all there was to it; that we have these divisions and our defensive mechanisms are once again well in order.

Regardless of the merits or demerits of the facts he was mentioning, I submit that it is not sufficient if we tend to have that same feeling as a result of actions which are being taken at the present time in the western world. The other day I came across a publication put out by the Department of External Affairs entitled "Canada and the United Nations 1953-54". My eye caught some of the lines in the general survey which commences on page 1, and I should like to quote these words:

> Nine years ago, when the United Nations charter was drafted at San Francisco, it was hoped that the new organization might be saved from the weakness and failure of its predecessor, the league of nations, by the frank acceptance of political realities which entrusted the principal responsibility for the maintenance of peace and security to the five great powers.

Then it goes on to say:

> The realities have proved to be other than they seemed in 1945.

During the period when the United Nations charter was being drafted and signed some

of us were engaged in some rather bitter political infighting with the Canadian section of the communist party at the trade union level. The political realities of 1945 seemed very much what the political realities appear to be in 1955. I recall to mind only too vividly the feeling I had in my heart in 1945, that within ten years we would be in the sort of situation we are in today. I only hope that in 1965 our Department of External Affairs will not be turning out a general survey which says that realities have proved to be other than they seemed to be in 1955. This article goes on to say:

> The unity of purpose among the designated great powers, which was a major premise of the charter, has proved to be a vain hope.

And again:

> Nevertheless, though the division of the world into two major power groupings has continued and has so far defeated our expectations that the lessons of two world wars would smooth the path to the achievement of world peace . . . the United Nations has not diminished in importance. Rather, so long as its purposes remain our purposes and so long as it continues to afford the best, indeed the only near-universal, forum for multilateral discussion and negotiation, the need to retain and safeguard its position increases rather than lessens.

I would submit, Mr. Speaker, it is unfortunate that from the very outset of the establishment of the United Nations and in the policies and attitudes adopted by various political groups in this and other countries of the western world it has not been recognized that if the United Nations is to have any real and practical value in the world of today then it has to be a universal forum.

The discussions that are taking place across the water today in reference to what has been termed a grave situation in the Formosa area would, it seems to me, have been carried on in a very different context if the principle that the United Nations should be a universal forum had been recognized at the outset, so that the question of the admission or otherwise of certain peoples to that forum would not have been determined by the political complexion of the governments in existence from time to time in those countries. Had that been the case we would not now be debating whether red China should or should not be invited to participate in a discussion which everyone agrees cannot be fruitful without her participation. In addition, we would not now be debating that issue had Canada and some other nations been willing to follow the lead offered by Great Britain in regard to the recognition of communist China, and followed through with her admission to a universal forum.

This defensive attitude, Mr. Speaker, is not enough. One of the lessons I learned very early in my experience in fighting the influence of communists and communism is that you do not get very far simply by calling them nasty names. We have to recognize that we cannot be content simply to be on the defensive and be pushed back all the time. We have to recognize that we have to be on the offensive and have to maintain that offensive consistently. We must never lose sight of the fact that the conflict in the world today is not one of arms or even atom bombs but a conflict of ideas for the loyalty and the hearts and minds and souls of great sections of humanity. The only way in which the western democracies are going to win this battle is by influencing the great masses of the people across the world that they recognize we have something better to offer.

I believe that is just as true in the realm of international affairs, in which I certainly do not consider myself an authority, as it is in the sort of dealings one has in a large industrial trade union. Unless you can offer leadership which is positive and dynamic and which holds forth a better program designed in the interests of those concerned, then you might as well give up the battle before you start. You might as well recognize that any sort of defences which can be devised in this context are going to prove futile and unavailing. So much, Mr. Speaker, for the defensive attitude on the international level.

What about the situation on the domestic level? The leader of this party introduced an amendment to the motion which is before us in which he suggested:

> . . . that Your Excellency's advisers have deliberately returned to the policy of uncontrolled and unplanned private enterprise...and...have failed to undertake the economic planning necessary to cope with the serious problems now facing the Canadian people.

Actually that is a very kind amendment as far as the government is concerned because it assumes that at one time the government did have some idea of adopting a positive program which would involve the necessary economic planning. I suppose it is based upon the assumption that the proposals set forth in the green book in 1945 and enunciated in the first flush of post-war enthusiasm were seriously in the mind of the government at that time. But the amendment points out what is only too evident, that since the first flush of post-war enthusiasm died away the government more and more seems to be returning to an acceptance of uncontrolled free enterprise; that more and more the sense of unity and cohesion in a common purpose which characterized the war efforts of this country has faded away; that more and more

the mind of the government is influenced by those who worship at the feet of the golden calf of free enterprise. More and more they accept this propaganda which is trumpeted forth day after day in some of the great publications of this country and the country to the south and which displays—and here, Mr. Speaker, words almost fail me in attempting to describe it in parliamentary terms—an absurd preoccupation with the petty desires and ambitions of small-minded individuals which is allowed to hold sway across our whole national life. But above all, more and more, to use the colloquial phrase, the government is yielding to the pressure of those whose only concern is to make a fast buck.

Therefore, Mr. Speaker, when various hon. members in this and other debates mention such things as growing unemployment the matter is shrugged off. There seems to be no disposition on the part of the government to take a longer look when it comes to analysing their own figures. They are content simply to refer to a certain amount of seasonal and regional unemployment. I am no statistical authority, Mr. Speaker, and I am sure that if some of the figures I have here are wrongly interpreted by me the Minister of Labour (Mr. Gregg) or someone else on that side will set me right. But if I read the figures correctly in September, 1953, the Canadian labour force stood at 5,398,000, and in the year that followed it grew by 85,000. Again, if I interpret the figures correctly the number of claimants on the unemployment insurance list increased in that period by 68,000. What these figures mean to me is that with an increase in the working force of 85,000 there are 68,000 claiming unemployment insurance, which means that only about 17,000, or 19·6 per cent, of the increase in the working force of Canada during the year September, 1953, to September, 1954, found opportunities for suitable employment.

I would suggest this disregards the fact that not all of the working force were in categories eligible for unemployment insurance. Therefore the figure of 19·6 per cent should actually be somewhat lower. If that is a trend it seems to me it should be a matter of serious concern, and is the sort of situation that calls for some real economic planning. It has become almost trite to suggest that during the war we had no unemployment problem in Canada. All that the C.C.F. group are proposing in their amendment, all that we have been trying to suggest, is that basically there is no more reason why people should be in the bread lines in Canada today than there was back in 1943, 1944 and 1945, and that the same kind of planning which went into the productive effort involved in prosecuting the war could very well be devoted to developing the resources of the country and the facilities that we all need.

However, I suppose it is a little futile to expect that at this stage of the debate the government is going to change its mind and recommend to its supporters that they vote for the amendment proposed by the leader of this party. Therefore I am going to be very conservative and merely attempt to suggest to the government that if they are not prepared to go along with the sort of thinking I have been suggesting, perhaps they would consider the idea of using a somewhat larger patch than they have been using heretofore.

Last year I had a resolution on the order paper the effect of which was that the government should consider the advisability of establishing a national insurance plan to cover individuals against dislocations caused by technological advances, changed marketing conditions and other related causes. In listening to this debate I have heard hon. members mention the problems now being faced by the producers of cheese. Some time ago I heard the hon. member for Red Deer (Mr. Shaw) tell us the story of what is happening to the coal mining town of Nordegg. I also received a brief from the fisheries council of British Columbia putting forward a certain position with respect to an increase in the tariff on wool fabrics, inasmuch as they recognize that such a move will be in conflict with their own economic interests. As a result I became more and more convinced that this is the kind of patch the government could very well accept. In other words, if I were to launch into oratorical tones I would say that what this country needs is bigger and better patches.

I of course recognize that even though I say I am speaking conservatively, with a small "c", the government may well say that this is just another of these wild-eyed socialists over here holding forth. I thought perhaps I might be able to impress my point a little more effectively if I went to a more conservative source to support the suggestion I have been making. I have in my hand a copy of a bill introduced in the Senate of the United States last year, known as bill S.3650. The bill was introduced on June 22, 1954, and was also introduced in the House of Representatives as bill H.R.9652. The bill was introduced in the Senate by Mr. Kennedy. I do not know the gentleman, but I know enough about the political situation in the United States to realize that he is

certainly not of my political persuasion. The purpose of the bill is defined as follows:

A bill to provide assistance to communities, industries, business enterprises, and individuals to facilitate adjustments made necessary by the trade policy of the United States.

The purpose is further defined in section 2 as follows:

(a) It is recognized that the maintenance of a sound domestic economy and healthy international relations requires that the United States engage in trade among the free nations of the world. Further the Reciprocal Trade Agreements Act of 1934 reflects the congressional desire that the President be authorized to negotiate with the other countries of the world with a view to lowering trade barriers. The Congress has also recognized in enacting the peril point and escape clause provisions of the Trade Agreements Extension Act of 1951, that there are situations in which the reduction of trade barriers, although redounding to the benefit of the nation as a whole, may have serious adverse effects on particular domestic industries. These provisions provide mechanisms for determining at what point reductions in trade barriers, either in prospect or already accomplished, will have such adverse effects. They provide no method by which greater prosperity and security for the nation as a whole can be secured by the reduction of trade barriers, while avoiding or ameliorating the economic losses which particular communities, industries, enterprises, and individuals may suffer in the adjustment of their productive activities which may be made necessary by such reduction. It is the purpose of this act to resolve this problem by providing assistance to communities, industries, enterprises, and individuals in the adjustment of their productive activity to the economic conditions created by the national trade policy. It is not the purpose of this act to provide a permanent subsidy, but rather to provide the means by which those affected by lowered trade barriers may be assisted in the period of their adjustment.

(b) It is the intention of Congress that, in determining eligibility for the assistance provided for under this act, the act shall be construed liberally and that any doubt regarding eligibility shall be resolved in favour of the applicant.

Section 3 says:

The president shall appoint a five-member board to be known as the trade adjustment board . . . appointed from among the officers and employees of the executive branch of the government and shall serve without compensation in addition to that otherwise received as officials or employees in the executive branch . . .

Then later on, in section 5(b), it says:

After the notification by the president provided for above, the board shall, upon application by any community, industrial development corporation, business enterprise, employee or organization representing employees, determine whether the applicant is eligible, or represents persons eligible, to receive the benefits provided for in this act.

In making this suggestion, Mr. Speaker, I feel that at least in principle it has the approval of a certain body of thought in the United States where, as speakers are often fond of saying, the economy and conditions are in many ways parallel to our own. Certainly the principle set forth in this bill introduced into the Senate and House of Representatives of the United States presents food for thought. It is a policy that might be adopted by the government of Canada to get away from dealing with some of these problems, as they have in the past, in little bits and pieces.

I might further suggest that if the government does not consider the Senate of the United States to be a sufficiently sound and conservative source from which to take this sort of idea, it is reported that in Spain, where most of us consider they have a fairly conservative government, plans have recently been introduced for a somewhat similar scheme to be carried on in conjunction with the unemployment insurance plan.

So, Mr. Speaker, in supporting the amendment which is being introduced by the leader of this party—and as I have already stated, without too much hope that the supporters of the government are going to change their minds and endorse it wholeheartedly—I would suggest that in the proposal set forth in this bill I have mentioned there is at least an idea which could lead the government to a more effective method of dealing with some of the problems that have been raised by the members during this debate, even within the framework of their own announced adherence to that grand and glorious system of free enterprise.

Mr. H. A. Hosking (Wellington South): In taking part in the debate on the speech from the throne I should like first to welcome and congratulate the mover (Mr. Leduc) and seconder (Mr. Carrick) of the address in reply to the speech from the throne. All hon. members will agree that they performed their task in the fine manner to which we have become accustomed, continuing the tradition to which we look with expectation at each opening of parliament.

As a member of parliament and one who is intensely proud of the British Empire, I feel I should pay my respects to that great statesman, Sir Anthony Eden, for the honour he has brought to the commonwealth. As a Canadian, and particularly as a veteran, I shared with most citizens of this country the deep concern which all of us felt at the breakdown of the European defence community arrangement. I am sure I am expressing the feelings of most Canadians when I say that Sir Anthony Eden was primarily responsible for the happy conclusion that has eventually been reached with regard to the relationships of the free nations in western Europe and the North American continent. His knighthood was a fitting tribute, and was approved by all free people regardless of national background. The new agreement which he sponsored recognizing Germany is

possibly the most important event that has taken place since the last session of parliament.

Another important event taking place is the meeting at Geneva on the general agreement on tariffs and trade, which everyone has learned to recognize as GATT. Our representative, the Minister of Trade and Commerce (Mr. Howe), should be commended for the job he did during the opening sessions in trying to promote trade. Everyone knows that next to Great Britain, Canada has the largest export problem of any of the important trading nations. In 1953 our gross national productivity was $24·3 billion. We exported $4·1 billion or 16·9 per cent of our production. In 1954 our gross national productivity was $23·9 billion. We exported $3·9 billion or 16·3 per cent of our production. Thus we see that the decline of ·6 per cent in export trade was felt right across the nation, causing a slight decline in employment.

Let us compare our exports with those of that great self-contained nation to our south. In 1953 they exported 4·3 per cent of their gross national productivity. Thus in order for us to live and maintain our high economy, external trade is almost four times as important to us as it is to the people of the United States. It is no wonder that the minister says our welfare depends on our ability to trade, and that he is out making agreements to stimulate that trade.

The farmers of this country have always recognized the value of freer trade. A great deal of the food they produce has to be exported at prices competitive with other countries. Thus they have always approved this government's policy of allowing them to buy commodities necessary for the agricultural industry, free of tariffs. They should view with alarm anyone who does not support this policy or who is being critical of it, because it represents their very lifeblood. The labouring people of this country should stop and think about who buys the commodities which they produce. About 83·7 per cent of the national production of this country is used in Canada. Since the farming section uses one-third of that, they need to make every effort to see that this home market is not disturbed or unemployment might follow.

Then, too, we should remember that Canada is a growing country and trade is our lifeblood. I can remember when the United States had a population of only 65 million, at which time our population was 7·5 million. Today the population of the United States has been increased by 100 million and ours has been doubled. Everyone agrees that our natural resources are comparable to theirs, and that today we are facing a growth similar to that which the United States experienced 40 years ago. Unless we make mistakes our people have every right to expect a long period of opportunity. We are indebted to our Minister of Trade and Commerce for the effort he is making to ensure that this will happen.

It has been suggested by the opposition that we should be processing more of our natural resources before they are exported. If this could be done it would mean more employment, and that is a policy with which I could not agree more. Let us look to the record on this matter to see what the Liberal party has done and is doing to bring this about.

In 1953, 32 per cent of everything we exported went out as raw materials. The best example of this would be wheat. Everyone knows how difficult it would be to export bread, which would be one example of a manufactured product of wheat. The transportation and handling charges would be prohibitive. Twenty-nine per cent went out in semi-manufactured form, including paper, nickel, copper and the like. In this field we can show marked improvement, if we have the capital investment to build the plants to process these materials. The largest proportion of our exports, 39 per cent, was fully manufactured. That is not a bad record for a country which has doubled its national productivity in the last seven years. No other country in the world can boast of such a record. Let us continue to make every effort to increase our trade, which is an effective means of increasing employment.

Let us take a look for just a moment, Mr. Speaker, at how this wonderful record has been built up. The Liberal government's sound fiscal policy of a balanced budget during the prosperous years since the war has attracted to this country large capital investments. The larger these investments are, the more we will process our exports before they leave this country, because this supplies the means for the processing. Everyone will agree that by balancing our budget and by showing a sound business policy to the world we have encouraged foreign and Canadian capital to be invested in Canada, which in time will help us to decrease more and more the percentage of raw materials exported. This will aid in employment and help to keep our workers busy.

In the remainder of this speech I wish to turn attention to my own riding, Mr. Speaker. I would deal for just a moment with the housing situation in Canada. Ever since I entered this parliament in 1949 I have supported and encouraged our government policy of assisting the building of homes. This has

been one of the major post-war problems we have had to face. I think it is now time, however, to take a second look at the situation before we promote the building of so many houses that they will become a glut on the market. It is possible that areas like Toronto, Hamilton and Ottawa may still be short of houses. If this is the case, then we should make every effort to assist in providing our citizens with the opportunity to own their own homes in any crowded area, if they have the facilities to purchase them. There are other areas where so many houses have been built that we are close to the saturation point.

Since I have been watching this situation very closely in my riding, I was amazed to learn of the recommendations which have been made by the provincial government to the dominion government with regard to the purchase of land in my riding on which could be built some 600 houses, as a government project. I would like through you, Mr. Speaker, to ask the Minister of Public Works (Mr. Winters) to give a great deal of consideration to the position into which Central Mortgage and Housing Corporation might get our government. I understand it is to be one of those projects arranged between the province and the city, in which the federal government pays 75 per cent of the cost, the province 17½ per cent and the municipality 7½ per cent, and managed by Central Mortgage and Housing Corporation.

We have one of these projects in Guelph now, known as Green Acres. Let us look at it for a moment. In 1951 we bought 273 lots, built houses on 70, and have offered for sale the remainder, most of which have been bought by contractors. By January 1 of this year only three houses had been built on these spare lots, though permits have been taken out to build houses on some 20 of the 200 remaining.

At that time I promoted and assisted in every way possible the completion of this project because I thought it was necessary. I think today it is time to take a second look before we embark upon another project of this kind, for two reasons. 1. Do we need 600 additional houses, most of which would be outside the city limits? 2. The people of Ontario will expect us to look carefully into any recommendations by the provincial government after their experience with road scandals. You know, Mr. Speaker, the provincial government of Ontario has had unfortunate incidents occur which would tend to undermine the public's confidence in their judgment and the honesty of their operations. I would ask the minister to look into every recommendation by that government with the greatest of care.

I wish to thank the minister for calling to my attention the fact that the government of Ontario had recommended that we buy 165 acres of land, of which only approximately 65 acres are within the city limits of Guelph.

I should mention now that the city of Guelph found it necessary to double its size two years ago. When they made this expansion they took in hundreds of acres which are not built upon, leaving many fields within the city limits for future expansion. Now we have the provincial government recommending that we go out into the township again, which of necessity would cause the city to expropriate further land in order to service this property for a future housing development. Surely that is not necessary, with all this space available for building. I am informed by the city engineer that there are at least 2,000 vacant lots within the city limits which the city is prepared to service if and when it is necessary.

Let us look further into this deal. The province recommends to us that we jointly purchase this farm land—most of which is outside the city—at $650 an acre, or at a total price of some $107,000. I took the trouble to find in the registry office some information about this farm. It has been bought and sold several times, and the last sale price recorded in the registry office was at $17,500, in 1948.

Mr. Speaker, I would not expect the people of my riding who pay taxes ever to allow me to return to this house as their representative if without protest I permitted this type of operation to take place in that area. We happen to be blessed in my riding with the finest type of honest citizens to be found anywhere in Canada. Their principles are such that they would not condone this squandering of money in such a fashion. Certainly we want houses, but we want them built in an honest and proper way.

I would suggest to the minister through you, Mr. Speaker, that if this is a typical example of the methods of the provincial government in recommending housing programs to our government, we look with the greatest of care into every recommendation of theirs. I would never want it to be said that the dominion government had any part in such squandering of the taxpayers' money. I would not want it to be said that the dominion government was legally correct, but that its dealings were not ethical. Mr. Speaker, through you I would recommend to

the minister that before any agreement is made with the province, this project be held in abeyance until representatives of the city and our government, and I, can look into all the details.

I was particularly interested last year, Mr. Speaker, to hear from our Prime Minister (Mr. St. Laurent) that he was considering setting up a Canada Council for the arts, letters and sciences as recommended in the Massey report. I was disappointed at the conclusion of the speech from the throne to realize that inadvertently it had been omitted and was not among the proposed legislation. I trust that this omission will soon be corrected by a suitable government bill.

When this bill is introduced I would like to recommend to this house a most suitable member for that council. Everyone knows that my riding is the home of a Canadian who has brought great honour to Canada in the cultural field. I refer to Dr. Edward Johnson, who not only has been outstanding as a singer with the Metropolitan Opera Company, but who also has had the business ability to act as general manager for that company. It should also be remembered that he holds an executive position at Toronto university, in the Royal Conservatory of Music. Thus in Dr. Johnson we have an outstanding citizen with both a cultural and executive background, and I am certain he would be willing to give further of his efforts in any position which would benefit Canada's cultural growth.

This appointment would be very well received by citizens of the royal city for two reasons: one, he is a native son; two, he is now, in conjunction with a patriotic group of citizens, promoting the establishment of a civic symphony and choral group in Guelph. Canadians need to be encouraged to take part in cultural activities, and the proposed Canada Council would give leadership in this direction.

In conclusion, Mr. Speaker, through you, I wish to bring to the attention of the Minister of Public Works the need for a new public building in Guelph. As I have said before, the city doubled its size two years ago. This was necessary because during the last few years we have been one of the fastest growing cities in Canada. Guelph literally burst at the seams, and this situation is carried over to our public buildings. We now have offices in four separate buildings in the city, which is not a very efficient way to carry out the dominion government's work.

Through you, Mr. Speaker, I would ask the minister to look into the economies which would be effected by such a new building; and I know, now that this situation has been brought to his attention, that as soon as the money is available we will have the building in Guelph which is so badly needed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Hosking: Mr. Speaker, I have just one more point which I felt should be made and which I did not have time to make before the house adjourned for dinner. The whip of our party has suggested that we on this side of the house should limit our speeches to something under 20 minutes. As I treat his wishes as I treated those of my colonel, as a command, I shall try to conclude my speech in the next few minutes.

I should like to say, through you, to the members of this house and to all citizens of Canada that all the opposition parties have done great damage to the farmers of this country through the lengthy questions and debate in connection with the butter situation. Throughout the country among those who buy butter the feeling has been created that our country is loaded down with stale butter. By their continual harping on this question I am certain many people have been led to believe that it would be better if they did not buy butter at this time.

I can remember, when the foot-and-mouth disease was being discussed in this house, going home and finding that for the first time since I was married we did not have a roast of beef on the table for our Sunday dinner. I just could not believe it, because I knew my wife felt that at a Sunday dinner we should have a choice cut of beef. We had a nice roast of pork, and I jokingly asked what was wrong with beef. My wife replied that with all the talk of foot-and-mouth disease she did not think we should be eating beef. I laughed and said, "You know that pork has the same trouble as beef with regard to foot-and-mouth disease." When I came home at the end of the following week after there had been a further debate in this house I found that we were having chicken for dinner.

I do not think my wife is different from any other housewife in the country. If she was influenced by the controversy that went on in this house regarding an agricultural product, then I think great damage is being done to our farmers by the present controversy over butter sales that is going on at this time. I should like to suggest through

you to the Minister of Agriculture (Mr. Gardiner) that he make a statement to the house that we have the finest butter for sale, that it is in excellent condition, that we will have no stale butter to put on the market. We will then have the public of this country buying the best food they possibly can buy.

Mr. L. E. Cardiff (Huron): Mr. Speaker, like all other hon. members who have taken part in this debate I wish to congratulate not only the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne, but all those who have taken part in this debate. I think it is the privilege and duty of every hon. member who feels he has something to contribute to get up and make a speech.

I represent perhaps the best riding in Canada. The people of my riding are certainly the most intelligent in Canada. I rise tonight to make a personal protest against the importation of New Zealand cheese at a time when we have a surplus in Canada. I make this protest because of the pressure which has been brought to bear on me by my constituents, and the cheese producers and dairymen in my county. They have expressed dissatisfaction at the importation of cheese at a time when we have a surplus of 10 million pounds or more.

The cheese producers of Canada deserve better treatment from the government. During the past two years they have done their best to help themselves. They have relieved the government of the necessity of paying a subsidy on their product. They set up the necessary machinery to look after the sale of their product. Now they feel that the government has let them down. If this cheap New Zealand cheese was going to benefit the consumers of Canada it would not look so bad, but such is not the case. The processors who are importing this cheese are the only people who will receive any benefit. I understand that this cheese will be sold not as New Zealand cheese but as processed cheese, and at a straight profit of 5 cents per pound over Canadian cheese. Five cents per pound for 2·25 million pounds amounts to $110,000 which is a sizeable benefit for one organization.

One wonders sometimes where the nigger is in the woodpile. Farmers, especially dairymen who have tried to assume responsibility for their product by taking it out of the government's hands and doing a better job than the government in getting rid of their surpluses, now find that a quantity of cheese is being imported to disrupt the Canadian market. We just do not understand these things; we do not know what are the answers.

The farmer sometimes gets blamed for the high cost of food, but he is not responsible for the spread between the price he receives and what the consumer pays. Take eggs as an example. The government put a floor of 38 cents under eggs not so long ago, but what do we find? We find the farmer getting 26 to 28 cents for his eggs. If we are going to have a floor price why not give the benefit to the producer rather than to the retailer, or the middleman who steps in and takes all the profit out of it? If the government are going to interfere they should interfere right down the line and see that the producer gets his fair share of the price his eggs bring on the market.

Prices of farm products have dropped 13 per cent over the past two years on the overall cash production, with the price of some articles dropping as much as 40 per cent. Yet we find that the prices of the necessary things the farmer has to buy have gone up. I know of no government which can balance an economy with one important group of the population being imposed upon. I contend that the responsibility of the government is to find a remedy. Just the other day a carload of lamb was dumped on the Canadian market. Perhaps these things cannot be avoided; but when our farmers are getting such a small proportion of the national income, much less than is rightly theirs, I think it is time the government took some steps to protect their industry. It is not protecting their industry by permitting the dumping of quantities of food on our market when we cannot get rid of what we have.

I should like for a few minutes to refer to the great loss of life and property through "Hurricane Hazel". We all felt very sorry for those who suffered loss and destruction, but there were other parts of the country where loss was sustained through storm and wet weather. The bean growers of my county lost many thousands of dollars because they were not able to harvest their beans. Losses as high as $10,000 were incurred by single farmers, yet you did not hear very much about it. "Hurricane Hazel" hit certain portions of the country and damaged property, but it also showered rain on a great part of western Ontario. The land was so wet all fall that people were unable to harvest their crops. Many growers in my part of the country never got in their beans at all. Some were earlier and were more fortunate in getting some of them off, but in many places the beans were never harvested. We did not hear very much about it; we heard little complaint.

The losses they suffered were almost unbearable. They lost not only the crop but the cost of planting and cultivating it prior to harvesting. In many places this almost ruined some of the younger farmers who had

just started up. The older men who have been in business for some years do not perhaps deserve the same degree of pity, but the younger men do not quite know what to do with themselves. They cannot meet their responsibilities, and the fact is that they will have to wait a full year before they can redeem themselves. They have not asked for government support nor do they expect any, but in many places there was as much loss, apart from loss of life, as was suffered during "Hurricane Hazel".

Much has been said about the question of unemployment, and I believe a great deal of that must be the responsibility of the government. Two years ago I drew the attention of the then minister of citizenship and immigration to the fact that a great number of immigrants were coming into this country who were supposed to work on farms, but after they arrived here they stayed a short time on the farms before migrating into industry in the towns and cities of this country. The farmers could have employed that labour and would, but for certain reasons, still be able to do so.

I emphasize the fact that those fellows had no intention of staying on the land. According to regulations they were supposed to remain on the land for 12 months after their arrival in Canada, but some stayed less than two weeks. It is my contention that if the policy had been changed and the regulation had specified that these immigrants would have to stay on the land two or three years, then many who did not intend to work on the farm at all would never have come here in the first place. Then we would not now have them on relief.

The government also could have helped to avoid the present unemployment situation by insisting that no one be allowed here unless he or she had a job. This, combined with firmer regulations as regards the land, might well have resulted in thousands upon thousands of farmers being able to absorb a greater labour force. The fact that the farmer is not getting his fair share of the national income and is not getting sufficient for his products has meant that he has been priced out of the labour market and cannot afford to employ assistance at the prevailing rates of wages. The result has been that the farmers have been compelled to carry on without that much-needed assistance and some of them, 60 years of age and over, are trying to farm 100 acres of land without assistance.

It seems to me regrettable that in a country where there are thousands of unemployed the farmers cannot get any help. Some might ask themselves why they should go to work on the land for 12 or 15 hours a day when they could work in industry for $1.50 or $2 an hour, and they may have some justification for doing so. But after all, if they have no jobs the money stops coming in, and they start getting hungry. Then I think they will find that working on the land is not quite so bad after all. As I have already said, farmers could absorb thousands of these men providing they could be hired at reasonable rates of pay.

High taxation is another reason we have so much unemployment. This government has taxed industrialists out of business in some places, for their taxes are so high they have no cushion left to enable them to keep men employed in industry for any reasonable length of time, with the result that these men are added to the growing number of unemployed. If taxes were not so high and industrialists were allowed to accumulate some surplus for a rainy day I think we would find that many of these men would be kept at work. The fact that they are not is again the fault of the government.

The government must also take responsibility for high wages. I can remember, as no doubt most hon. members can, that when the war broke out we drafted men into the army at $1.29 a day. But when munitions plants were set up and started working at full blast the government found they had to assist in the running of such plants, and advertised for men at twice or three times the pay the soldier was receiving, instead of drafting them into the plants as other men were drafted into the forces. This policy started the spiral of high wages which has been continued ever since, until we now find ourselves in a very difficult situation. That is another reason we have unemployment. I might say in all fairness that when everything goes well the government is fine, but when everything goes in reverse the government gets the blame, and sometimes they deserve it.

Before closing I want to express the hope that when the government submits amendments to the War Veterans Allowance Act, designed to raise the basic rates as well as the ceiling of permissible income of recipients of allowances, these men will receive not less than the Canadian Legion has requested from time to time over the past few years. In my opinion ex-servicemen are fine citizens, and should receive much more consideration than they have in the past. I for one hope that this time they will be properly looked after.

Mr. H. P. Mang (Qu'Appelle): Mr. Speaker, in rising to offer a few words in this debate I am quite conscious that we are nearing its close and that therefore if I should attempt to use all the notes I have in front of me it

would be a very fine method of becoming unpopular in this house. Not that I want to become popular, but I have some respect for your listening powers; therefore I am not going to tax them for any length of time.

Before making my few remarks I think I would be lacking in courtesy if I did not extend congratulations to the newly-elected members of this house. In particular I want to congratulate the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne. I wish to do so for a particular reason and not merely as a matter of courtesy, for I think I should express my personal satisfaction at the prospect of sitting in the company of two such fine gentlemen on this side of the house.

I seemed to sense in their remarks that they were sitting on this side of the house for certain reasons having to do with the principles underlying the party which they represent. After all it is the principles upon which a party is built that are the important things. It is not the party that is the most important thing in our political set-up, but the principles upon which that party is built. The political party is merely the instrument through which certain principles are applied to the conduct of the affairs of the country. I congratulate them most warmly because I feel that they are men who will help to make the Liberal party live for a long time and be the government of this country for quite some time to come.

As this will be, I think, the only appropriate opportunity to tell the house something about the constituency of Qu'Appelle, perhaps I may tax your patience for a few moments while I introduce you to that pioneer constituency of Saskatchewan. It extends from the city of Regina to the Manitoba boundary south of the beautiful Qu'Appelle valley, and comprises some 6 million acres with a population of about 40,000. Through it runs the original line of the Canadian Pacific Railway and also the trans-Canada highway. Because it is the area where the first main line across Canada, that of the C.P.R., was built, it is the pioneer agricultural area of the province. The first large-scale shipments out of that area were made from the town of Indian Head in Qu'Appelle constituency.

Because of the location of the C.P.R. the first settlers were those who pushed into that wheat-growing country from Manitoba, but later came the pioneers from Ontario. We have a great many MacPhersons, Macdonalds and MacDougalls, all kinds of "Macs", along that line, and Saskatchewan had its beginnings in that particular area. After the region around the main line was settled as a result of the building of the railroad the great immigration policy, so dramatically dealt with this afternoon by the hon. member for Athabaska (Mr. Dechene), resulted in a great flood of immigrants in the seventies, eighties and nineties settling some 20, 30, 40 and even 50 miles from the main line. They came from all over Europe. We have Scandinavians. There is a place called New Finland. We have people from southeastern Europe, a great many from the Volga river basin in Russia, people from Hungary and practically every part of Europe.

At this point I want to give voice to a sentiment which I have often hoped I would be able to express. With this great influx of people from all parts of Europe the greatest Canadianizing influence was derived not from the laws of the country or the different political set-up here, but from the Canadianism taught them by the pioneers from Ontario who had settled along the main line. They accepted them and called them by name, sometimes "Big Jim" or "Black Joe" and so on because the European names were unpronounceable. They learned from this British stock what it meant to be a Canadian. From the way the implement dealer dealt with those people, giving them a good or a bad deal, they learned how life in Canada would be of benefit to them.

Qu'Appelle is also a constituency which has had its celebrities. It is the birthplace of General McNaughton, the great scientist and soldier. He was born at Moosomin, where his father's store is still in operation. The first native-born lieutenant governor of the province of Saskatchewan, Lieutenant Governor Patterson, was also born in Qu'Appelle constituency. We also have Father Murray's Notre Dame college south of Regina, which has become internationally known. I could name many more people. We have had our Olympic champions and have produced other personalities. Perhaps some of you will remember that the constituency was at one time represented by the late Ernie Perley who for so many years sat as Conservative member for Qu'Appelle in this house, and a grand fighter for the west he was.

Then too we have some 18 branches of the Legion. Last year I was privileged to attend the opening of the armouries in the town of Grenfell by the Hon. Brooke Claxton, then minister of national defence, and we were told then that the town of Grenfell holds the record for the greatest percentage of voluntary enlistments in all wars since the Boer war. It had the greatest percentage of voluntary enlistments in the Boer war, the first world war and the second world war. The town is therefore most deserving of the

armouries, and we want to express our appreciation to the department for assisting in the construction of that building.

Farming conditions last year in that great cattle and grain producing area were not good. We were hit by rust, as were other portions of the province. Where the year before we had 20, 30, 40 or 50 bushels to the acre, this year we had 2, 3, 4, or 5. In the eastern part of the constituency there was a very poor crop. A good deal of the land was flooded out after some 40 inches of rain, something that is almost inconceivable on the prairies.

Conditions are not too good. We have in that area—and I mention this for a particular reason—a drainage problem with which we hope the Minister of Agriculture (Mr. Gardiner), who has control of P.F.R.A., will assist us. The precipitation was so great there this year that water which should have drained into the Pipestone river to the south actually changed its course and flowed into the Qu'Appelle river to the north. This resulted in the flooding of municipal roads and many thousands of acres of land in that area.

As the member for Qu'Appelle I do want to express our appreciation of the work done under the Prairie Farm Rehabilitation Act under the direction of the Minister of Agriculture and Dr. Thomson. Last year a dam was completed on the Pipestone river which will create a lake some nine miles long. This will help with the drainage problems and alleviate the flooding in the Souris valley. It will provide also a water level for the many wells that this stock-producing area needs so much. We want to express our appreciation for that undertaking. I hope that next summer when some of you go along the trans-Canada highway you will stop off at Moosomin, go nine miles south and see some of the work the P.F.R.A. is doing in the west.

The speech from the throne contains many features, most of which have been dealt with rather thoroughly. I find that some people have dealt with features which they claimed were not in that speech. However, it is only to be expected that there would be differences of opinion expressed in this house. What interested me particularly in the speech from the throne was the recognition of the definite influence the western economy has upon the national economy as a whole. The total production of the country this year has suffered in proportion to the smaller crop in western Canada. This reflects to a definite degree the important place of the west in our national economy.

[Mr. Mang.]

I have noticed that not only in this house but throughout the country there is a tendency to assess an immediate situation without regard for the past. Whether it be in connection with wheat sales, wheat production, production in other lines of Canadian endeavour or the problem of unemployment, we do not take account of what has gone before. Mr. Wes Ball, who is vice-president of the Saskatchewan wheat pool, made what I thought was a very significant statement when he said that Canadians have a habit of never thinking back beyond twelve months in assessing a situation. I know that last year a great deal of time was spent, and more time might be spent this year, emphasizing the wheat surplus.

This year we have not heard quite so much about it. Discussion has centred more around the lack of cash in the west, and the unemployment problem. It is well, however, to keep Mr. Ball's statement in mind because no proper plans for the future can be made unless we take account of the past in assessing the situation at the moment.

In connection with the wheat surplus of last year there is something I ought to mention. It has not been mentioned in this house, and perhaps I should have drawn it to the attention of hon. members, but being of a timid nature, one who would sooner listen than speak, I was too diffident to do so. This illustrates what I mean. One would have thought, from listening to the discussions we had last year, that the wheat surpluses were something new. When you look at the story of wheat surpluses you find it most fascinating. For example, you find that within the last 30 years our wheat surpluses have followed a very regular pattern. The first great surplus of recent years was in 1933. The next huge wheat surplus, and this was the largest on world markets, was in 1943, ten years later. The next huge wheat surplus was in 1953. I am speaking of the wheat going into international markets.

We find these figures fascinating because they have a recurring pattern. The surpluses have not always occurred for the same reason. In 1933 it was because of the depression; in 1943 there was a disturbed economic condition because of the war, and in 1953 it was largely due to huge crops. These facts merely serve to emphasize the importance of assessing the whole situation when attempting to make some plans for the future. These surpluses have always disappeared, and they are going to disappear again. Probably they will rise again and fall again.

In my opinion that is an illustration of what happens in our economy. If one listened

to some of the speeches, as well as some of the talk out in the country, one would think that progress was something that went on continuously from year to year. We know, in our own personal lives, that sometimes we feel fine and other times we do not feel so well. This is true in the economic life of the country as well.

If we look over the period of years so aptly described and so dramatically presented by one of the hon. members from Alberta, we find that progress is not sudden; it is gradual. No situation remains static for all time. We are experiencing situations which the policies of this government will regulate and are regulating at the present time. Naturally throughout the country differences of opinion are expressed but, in the main, a policy is being followed that is going to have no other result but an upward trend.

The twin problems of markets and employment have been stressed over and over again. Many suggestions have been put forward as to how to deal with the situation, but there is one thing we must bear in mind in assessing the unemployment situation or the world market situation. That is that no one factor in our economy is responsible for the conditions we may be experiencing at any particular time. If we look back over the past ten years we realize that during that period we have enjoyed a higher standard of living than we had before. Today our unemployment problem is tied very definitely to the problem of selling the goods we are making. It is also tied to the recovery of the nations of the world from the last war.

It is well recognized that during the war the economies of European countries were smashed. Physically, economically and from a monetary standpoint those countries were destroyed. We on this side of the Atlantic kept our whole production machinery intact, and after the war was over a great many of those nations had to be helped in their recovery. We in the United States and Canada had piled up our production machinery and, immediately after the war, this was geared to the reconstruction of Europe.

It is important to note that during this time we were continuing to fill the needs of the economic vacuum that had developed, for the reasons I have mentioned, and at the same time we were supplying the hungry home market. Consequently we were kept busy in our economy, and developed a standard of living which was quite out of line with that common on the other side of the Atlantic.

As soon as recovery began to take place, and Europe was setting its house in order, we found that not only were those nations beginning to supply their own needs but they were also beginning to encroach upon the markets of the world. Inasmuch as they had not become used to our standard of living, the wages their workers were willing to accept were on a much lower scale than the wage schedules of this country.

Our problem today is to try to keep on the world market and remain competitive in a situation where the goods of our competitors can be produced and delivered to the market at a lower rate than we are able to offer. I hold in my hand an illustration of what I am attempting to show. This is a memorandum from the Canadian shipbuilding and ship repairing association, and with it I shall attempt to bring out the point that Canadian workers are competing with lower wage rates in countries producing goods for markets in which we must be competitive. It says:

> A British shipyard worker receives an average hourly wage of approximately 60 cents whereas a Canadian shipyard worker gets an average hourly wage of $1.50. A British sailor employed on a British-registered vessel engaged in Canadian coastal trade receives a bonus equivalent to £6 a month over and above his basic monthly wage of $70, making his monthly pay $87, as compared with a Canadian seaman who is paid $204 a month.

One could quote many examples to show this difference in wage rates. Our problem is that of finding out how we can meet wage rates of that kind and remain competitive in the world market. We have built up a very high-cost economy as well as a high standard of living, and I am not saying we should lower it. But we are also faced with the fact that we must remain in world markets. How to reconcile the two is a matter that is being considered by large numbers of people in this country and by some political parties, who seem to feel that it is the sole responsibility of the government. Certainly a number of delegations have urged this view.

Last Thursday the hon. member for Vancouver-Kingsway (Mr. MacInnis) offered this quotation from the green book of 1945:

> Success in the attainment of high levels of employment, increased welfare and security, is dependent upon the fruitful co-operation between all governments and groups in the country.

I suggest that the words "and groups in the country" are just as important as those having reference to governments. Who are these groups? Well, they are farmers, workers, investors and managers, to name only a few. I have always been puzzled by the fact that as soon as something goes wrong with any industry, whether it be the textile industry or any other—and we can include farming, if you like—it comes to the government asking for a solution of its problems. Yet the green book stated in 1945 that the entire

responsibility could not be placed upon the government, but rather that all these groups must accept a share of it.

What do we see today? In western Canada, as well as other parts of the country, agriculture is being asked to reduce its wages. Let us keep in mind that we from western Canada have had to take a reduction in the price of our wheat, not because we wanted to but because we had to if we were going to trade in the highly competitive markets of the world.

On the other hand what do we see in respect of labour? In this evening's paper I see where a group is asking for more wages and shorter hours, and with greater benefits all the way around. How the agricultural community in this country can stay in business in the face of the high wages received by those who build their combines, motorcars, trucks and their other machinery of production, it is difficult to see. I believe these other groups to whom I have referred will have to do some very hard thinking on their own. It is not just a matter of coming to the government and saying, "Here is our problem; you solve it."

I do not know how many more Ford cars and trucks are going to be sold in western Canada as a result of the wage rates obtained recently. But the fact remains that while the rate of agricultural income has been going down—and some people say it has decreased as much as 12 per cent in the last few years—the production costs of certain industrial concerns has been going up. As a matter of fact a few business combines have been disclosed—and I am not now referring to the combine used in harvesting grain. The situation disclosed demands the full co-operation and consideration of all.

Last winter I received a delegation from the farm machinery association; and when discussing the matter they tried to make the point to me, a western farmer, that if we would only be satisfied with lower prices for our wheat and other grains we would be able to sell more of them and thus obtain more money to buy their machinery. I said, "Well, how can this thing work if you are constantly asking for more and we are supposed to take less for our grain?"

Mr. McCullough (Moose Mountain): Will the hon. member give the name of the petitioners who made the request to him that western farmers take a smaller net return for their grain? Will he name the labour union that he said represented the workers—

Mr. Deputy Speaker: Order.

[Mr. Mang.]

Mr. Mang: It was a point that came up in the discussion. I do not just remember the names.

Mr. McCullough (Moose Mountain): It is not right.

Mr. Mang: Well, I would not say that. I can check it. I will talk it over with the hon. gentleman because, among other things, I think I can straighten him out in his thinking in that regard.

Mr. Noseworthy: You made the charge. Substantiate it.

Mr. Mang: I shall look it up; I shall get the details, but it came out of the discussion. It may not have been a responsible individual, but the idea was—.

Mr. McCullough (Moose Mountain): You are wrong.

Mr. Mang: You say I am wrong; I say I am right. The idea was that we should sell our grain so that they would be able to sell more of their machinery. It cannot be denied that in western Canada today we are short of cash. A lot of other people in other parts of Canada are also short of cash, but that does not mean the western farmer is broke. We have grown billions of bushels of grain. For that grain we have received billions of dollars. What have we done with them? We have paid off mortgages; we have improved our farms; we have bought combines, cars, trucks and we have even gone into rural electrification. When you ask "Where is all your money?" I reply that a great part of it is in Oshawa, in Windsor, in Toronto, in Montreal and in Hamilton. I am not saying that it should not be there, because those people were good enough to make for us all those assets that we now have on our farms.

These things should be kept in mind. I am not expressing it adequately, I know, but you can charge that up to my inexperience. The point I am trying to make is that we should not in this house or even in the country keep on asking the government to reduce taxes because they are one of the causes of unemployment. We should not be asking the government to pay subsidies all the way down the line, though the pressure for subsidization is beginning to grow even in western Canada in one way or another. The two do not go together. How can you raise subsidies and social benefits which are costing us today $1,250 million? How are you going to do all that if we do not have taxes? To me it is a very peculiar way of approaching the economic problem which faces Canada today to say in the one breath, reduce taxes and in the

other, increase all these government services. To me it just does not add up, and when the Canadian public realize it they will come to the same conclusion.

There is confusion in the country today. These various groups in our country should examine their position with regard to world markets. They should co-operate with each other. I said to the farmers' union the other day, "You should be meeting with the government, but you should also meet with the two large labour unions and thresh out the problems as you are trying to thresh them out with us."

Mr. Ellis: They are doing that now.

Mr. Mang: It is no use for one group to operate one way and another group another way. If we are to have and maintain a unified country and a high standard of living, then we had better have a royal commission. It would be a good thing to appoint a royal commission to investigate the whole Canadian trade position, both in the export and the domestic markets. This investigation should determine the relative cost factors in the Canadian economy which create a high production cost level. It should report on the relative influence on the high cost of production level in Canada, first, of company profits; second, investors' returns; third, labour costs; fourth, transportation costs and fifth, taxation. If we had a royal commission we would get away from these "black is white" and "white is black" statements. Hon. members know what I mean. Too many statements are being made today that are confusing the public. If a royal commission did what I have outlined it would bring all these groups together and we would be able to get somewhere.

At the present time our government is doing everything possible along that line. Our government realizes that we must have international markets. We should give credit to our government for being in the forefront of the battle for freer international markets. All these factors are involved. Let me emphasize that it is not just the responsibility of the government. I want a royal commission appointed to show where every group in the Canadian economic picture fits in. It is only by that co-operation that we can get anywhere.

In conclusion I want to congratulate the government on its efforts toward world peace. I read in the newspapers today about the meeting of the prime ministers in London. They represent 585 million people. Of those 585 million people our delegation represents 15 million. I was struck with the fact that, compared with the size of our population, our influence in world affairs is tremendous. That is something of which we should be proud.

We are on the brink of very important decisions. I do not think international relations will deteriorate to the point where we shall have a thermonuclear war, which could only mean the destruction of civilization as we know it. We must realize that unless peace is established we shall not have very much to worry about in this or any other parliament. We must realize that we are living in an era when, unless we have world peace, we shall all be doomed. We can only have world peace by establishing trust in the world.

That is our difficulty today. One of our difficulties in discussing the protocol last week was that we did not trust those people with whom we are associated. As soon as you establish trust in the world you will have peace, and you will not have it any sooner. I hope the government will continue to press forward, on the economic front and on the world peace front, in the direction they are pointing. When that goal is achieved we shall have the prosperity and peace that we all desire so much.

Mr. James A. McBain (Elgin): Mr. Speaker, in rising to participate in this throne speech debate I, as one of the comparatively new members of this house, feel like various other hon. members who have so ably spoken before me and expressed the view that much has been said already in this debate. May I also extend my congratulations to the hon. members who have expressed themselves in moving and seconding this motion.

As this is the first session at which I as a member have had an opportunity to express my opinion and offer suggestions to this house during the throne speech debate it will be my desire to follow the path set by other hon. members. Being born of Scotch ancestors, as my name would indicate, and as my forefathers from the highlands of Scotland were known for their thrift and saving habits, I shall endeavour to do what other hon. members have endeavoured to do at this session, that is make my remarks as brief as possible and thus save the time of this house.

The constituency of Elgin which I have the honour to represent is steeped in history, as are many other ridings in this part of Ontario. The name Elgin was chosen in honour of the late Earl of Elgin, the grandfather of the present Earl of Elgin who periodically pays visits to his namesake county. The hon. member for London (Mr. Mitchell) extended an

invitation to hon. members to join in the celebration of their centennial anniversary, but I cannot do the same since Elgin celebrated its centennial in 1952.

I represent a riding which is partly rural and partly urban. The rural areas are engaged in many phases of agriculture, such as livestock production, both dairy and beef, fodder corn, soybeans, white and yellow-eyed beans, potatoes, sugar beets and flue-cured tobacco. Elgin orchards are known for the fine quality of apples they produce, and as proof of their high quality they recently were awarded the horticultural trophy at the Royal winter fair.

St. Thomas is known as the railroad city of Canada by reason of the fact that within its boundaries are some six railways, namely Canadian National Railways, Wabash, Michigan Central—known as the New York Central in the United States—Canadian Pacific, Chesapeake and Ohio and the London and Port Stanley, an electrified road.

During the expansion of railroads in Canada these numerous railways operating through the riding of Elgin established repair shops in St. Thomas which gave employment to several hundred people, and at the peak employment was well over the thousand mark. Today the situation is vastly changed due to many factors. In my opinion one of the main factors is the almost complete dieselization of three of these railroads. These three were American-owned roads, and they found it more economical to haul longer trains from border to border across western Ontario without the necessity of stopping at St. Thomas to have the engines and trains serviced and repaired.

This resulted over a period of years in the almost complete shutdown of the repair shops in St. Thomas. This in turn forced the railways to release many men who had long years of service and in many instances were very near the pensionable age. They were forced to seek employment in other lines of industry. I have a brief presented and signed by the committee chairman of practically all the railway committees in St. Thomas. This has to do with a clause deleted some years ago from the contract forms, to which the hon. member for Leeds (Mr. Stanton) has already referred. I should like to read into the record a few of the clauses in this contract form which the employees wish to have reinstated:

> Individually and collectively, we the railway employees of St. Thomas hold a very dim view of the action of the government in the deletion from its public contracts in the departments of public works and transport of certain clauses which give to the railways and their employees a measure of well-merited protection. In the past the government has, through the operation of the departments of public works and transport, recognized the merits of the claims of all the railways in Canada by inserting in the specifications of contracts involving the transport of goods and equipment. In 1934 the minister of public works inserted in the contract forms in the Department of Public Works the following clause:
>
> "Transportation of material and plant:— All material and plant used in connection with the execution of this contract must be transported over railways operating in Canada, or waterways, to the greatest possible extent."
>
> We feel that this action was sound, just, fair and worthy of the highest commendation. The Department of Transport construction contract forms contained a similar clause except that the transportation of goods and materials was directed over Canadian National Railways, which should have been amended to include all agencies of transportation under the jurisdiction and control of the federal government. It is with keen regret that we have learned that the Department of Public Works and the Department of Transport have caused the deletion of the above-mentioned clauses from their contract forms directing the movement of goods and materials. This action will unquestionably deprive the railways of much valuable traffic they formerly enjoyed and, with the passing of jurisdiction, the railways will continue to be subject to government regulations and control which will not be applicable to the highway competitor.

Therefore I submit that in the interests of all railway employees across Canada this clause should be restored to the contract forms of the departments of public works and transport. I can see no objection to having the clause revised to include all transport agencies operated by or under the control of the government of Canada.

Elgin produces, as I have mentioned, many kinds of cash crops, and I just wish to note a few of them and the value they represent to the riding. The cash value of production in 1953 was as follows: Grain corn, $2,081,900; soybeans, $1,013,700; potatoes, $232,800; fodder corn, $542,600.

Elgin is the second largest flue-cured tobacco producing county in Ontario. Last year over 24,000 acres of this type of tobacco were grown in Elgin, approximately one-fifth of the entire acreage for Ontario. As in many other counties, tobacco acreage was substantially increased in 1954. In 1927 only 500 acres were grown in our county, while by 1937 this had increased to 7,229 acres, which had again expanded to 21,476 acres in 1950. Today flue-cured tobacco is the largest cash crop of this county. The gross returns from this crop in Elgin county for 1954 can be estimated at approximately $15 million. In Ontario and Quebec the flue-cured tobacco acreage amounts to around 120,000 acres, producing in 1954 some 170 million pounds of tobacco. Of this larger than average crop less than 8 million pounds remain to be purchased from the grower.

This crop is processed by the tobacco plants during the winter months, and at the present time the Imperial Leaf Tobacco Company at Aylmer gives employment to between 700 and

800 persons, operating 24 hours a day, alleviating to some extent the seasonable unemployment situation in this district.

By this I do not mean that we do not have unemployment at the present time, for we have over 700 registered unemployed at the office in St. Thomas and I know there are many others who do not register, who are temporarily unemployed and cannot collect unemployment insurance.

I am very glad to note that in the estimates $100,000 is being revoted for a new post office and public building in St. Thomas; but I regret, and I know many of my constituents regret also, that no additional funds are provided in the 1955-56 estimates. This is a building that has been needed for a great number of years. I know the employees of this postal department strive to give the very best service possible, but owing to their very cramped quarters and outmoded methods by reason of lack of space, they find it very difficult to give the service they would wish to give. Therefore I ask the Minister of Public Works (Mr. Winters) to give his utmost consideration to making a start on this new building this year. This project would give some relief to the unemployment situation in the area and assure the constituents of St. Thomas that they are at long last going to have a new post office and public building, not just some election propaganda.

Before I endeavour to turn to a few of the problems of agriculture, as I see them, I wish to refer to a petition I have in my hand. This is from the cheese producers in Elgin county, protesting the importation of New Zealand cheese. It is signed by practically 100 per cent of our cheese producers, and also by the heads of the dairy production industry and various other organizations in the county of Elgin. The news that 2,250,000 pounds of cheap New Zealand cheese was on its way to Canadian markets came as a distinct shock to Canadian farmers, especially to those in the dairy industry.

Several hon. members have already spoken in this house on this importation, and we have received the reply from the Minister of Trade and Commerce (Mr. Howe) that no more shipments of this cheese will come to Canada for at least six months. It is my opinion that other companies which are in the cheese processing business will be seeking cheaper cheese; therefore I can assure the Minister of Agriculture (Mr. Gardiner) and the Minister of Trade and Commerce that similar petitions will be sent to them if they have not already received some. I will also see that they receive the petition I have in my hand.

Agriculture is the oldest profession, for it began when Adam and Eve were expelled from the garden of Eden; the other profession did not begin until at least one more woman entered the world. It should be remembered that both these professions sprang from two fundamental urges of man, the necessity to eat and the urge to propagate, whether illegitimately, indiscriminately or otherwise, since to exist at all man must eat, and to ensure his continuance on this earth he must propagate.

There are still many things in the realm of agriculture we do not understand. As we discover new laws and facts and gradually penetrate the fog of mystery we make strides toward improving the conditions of the human race, its health, its happiness and its living standards, and also the possible realization of the hope of a continued peace. In this complex modern world peace and war are largely determined by the world's supply and distribution of food, raw materials, and markets. As the population of the world increases at the rate of over 25 persons a minute the food sources in many countries appear to diminish. Food, therefore, becomes a dominant factor.

During the debate we have heard the word "surplus" mentioned many times, but I believe we should not be misled by such references. For a thousand years there has been no real surplus of food produced on the farms of the world, but there has been poor and inefficient distribution, added to which there has been exploitation by the buyer causing higher prices for this distribution. This inefficient distribution, in addition to causing higher prices, creates artificial surpluses which have no reality in a world where half the people suffer all their lives from malnutrition and associated diseases, and where at least 500 million are born and die without ever having had enough to eat at least one day of their lives. Some farmers, pointing to accumulating surpluses of certain foodstuffs in Canada, and fearful of dropping prices, suggest a slow-up of production, but while half the world is hungry any overall curtailment of production looks like a shortsighted policy.

Therefore, Mr. Speaker, I urgently request this government to consider ways and means of regaining and retaining a healthy economic position for agriculture, not necessarily through subsidies that postpone but do not correct, not through restrictions that stifle, but through sound policies designed to promote a freer movement of agricultural products within Canada and to the needy people

of the world, and at the same time to institute policies which will provide adequate protection for our most important resource, the soil.

Canada is one of the few countries capable of producing foodstuffs to help feed the hungry peoples of the world. Our farmers are willing and anxious to do their part, but they cannot do the whole job without irreparable damage to the soil. We therefore look for national and provincial policies that will protect and conserve for continuing use our renewable natural resources. It is a strange paradox that we must, by law, pay all other debts ahead of our debt to the land, yet our debt to the land is more important than any other. Morally, and according to the laws of economics and nature, the payment of debt to the soil ranks first, because over the years only by maintaining a balance of soil fertility in nature's bank can we continue to pay all other debts. Legally, however, and according to man-made laws which so often ignore the laws of nature, all other debts must be paid ahead of our debt to the soil. Indeed, our law permits us to borrow at will from nature's bank with no compulsion to repay the loan or even to pay interest. Of course, nature has her own penalties. Slowly but surely she withdraws credit from those who misuse her resources.

Let us turn back the pages of history to where once the Babylonian empire flourished. Let us take a look at the Gobi desert which has crowded millions of Mongolians into the corners of its once rich and fertile land. We well remember Rommel's advance and retreat across the Libyan desert during the last war over land that once fed the Roman empire. All these lost empires tell precisely the same story of vanishing forests, overgrazing, fertility losses, and finally erosion and loss of top soil. They all tell a story of man's failure to come to terms with nature. In every case nature withdrew her credit, and in every case the people starved or moved on to exploit new lands, and now there are no longer any important land areas left to exploit.

In Canada and the United States it is true that we are only in the early stages of exploitation. We still have a long way to go to achieve the complete destruction of the Romans. On the other hand we have only been working at it for a hundred years or so, while the Romans had a thousand years to achieve complete soil depletion. But it is now quite possible for us to wear out soil 10 times as fast as a generation ago, when only horsepower was available, and a hundred times faster than the Romans whose main power was that of their slaves and oxen, and their main tools the hoe and the wooden plow.

[Mr. McBain.]

Fortunately there is a sunny side to this picture of the decline and fall of man-made civilizations. This same efficiency and technological advance that enables us to destroy soil so quickly also enables us to accomplish the almost miraculous in maintaining soil fertility at highly productive levels, in reviving tired, worn-out soils and even, on occasion, reclaiming deserts. More and more we are learning to look at the land as the major source of real wealth, and to farming as a high art. We are learning that while soil fertility is highly perishable it is also a renewable resource, and herein lies the art of good farming, namely how to extract a living from the soil in such a manner as to be able to pass on the farm to the next generation in a more fertile condition than that in which we found it.

What we need most for Canada is a readjustment of basic values so the dollar will once more be the servant of man, not his master. Half the world's population is hungry and needs our surplus food, but we have priced ourselves out of world markets. Over half our soils are hungry, but we have put such a high value on the services of labour, industry and commerce that there is seldom enough left over to feed the soil. The crux of the whole matter today is that our greatest natural resource, the soil, must subsist as best it can on the scraps left over from the banquets of our highly artificial way of life. This was the way of all vanished civilizations of the past, and we are travelling along the same road but at the speed of jet propulsion.

This is my plea to this government and its leaders in agriculture, not only in their own interests but in the interests of private citizens, that they make room for agriculture at the first table so that our grandchildren and great-grandchildren may not have to join the ranks of the half-fed.

Finally, Mr. Speaker, it is my opinion that the government should give more consideration to aiming at a balanced economy by widespread recognition of the importance of conserving our natural resources, the most important of which is the soil, especially that valuable top six inches. It should also give more consideration to establishing a joint federal-provincial land use policy designed to perpetuate and improve our renewable resources, and to the further education and application of Christian principles at all levels among all peoples at home and abroad.

Hon. W. Earl Rowe (Acting Leader of the Opposition): Mr. Speaker, the subamendment to the amendment I moved at the beginning of the debate on the speech from the throne is rather surprising. It was moved by those who said our amendment was already too

long, but in spite of that they moved a negative addition to it. It is negative because it proposes a philosophy of socialism that would make impossible the amendment I had already put forward. Therefore I feel it incumbent upon me to make a few observations about the subamendment at this stage of the debate.

I do not agree that private enterprise has done in the past what my socialist friends have intimated. Indeed, Mr. Speaker, as one looks back over the history of this North American continent it would be very difficult to accept such a novel philosophy in this day and age. I would say to my friends on my left, who seem to believe in state ownership and government control, that all they need to do is look at this great young country and the North American continent itself to realize just how the reverse is true. Can anyone read the history of the progress of the North American continent, the greatest free enterprise continent in the world, and say that we are going backward and that industry, production and government are stifled by private enterprise? Why, Mr. Speaker, the historical facts stream past the eyes of the most stupid in Canada to show what really has happened.

In 1900 not one out of 100 of the urban people of the North American continent had a horse and buggy to ride from place to place. Yet today on this same continent, which has been such an outstanding example of free enterprise and initiative of the individual, we now have an automobile for every four people. Just imagine the difference.

An hon. Member: Oh, oh!

Mr. Rowe: Probably my hon. friend never even had a horse and buggy, by the sound of it. But, Mr. Speaker, to my mind that is evidence, and there is plenty of other evidence. During that 50 years we have had two hot wars and a cold one which is probably getting hotter than it should be right now. This North American continent participated in those two hot wars and did more in the four or five years of each of those wars than any socialist state in history did in 50 years previously. It was the free enterprise and the pioneering spirit of those boys who flew the Lancasters and manned the ships that crossed the English channel; it was the initiative and incentive born and bred into them that saved the day when old Britain stood almost alone in 1940. It was that spirit of enterprise that made our industries hum. Where would those industries have been had it not been for private enterprise in this country?

Yes, I am proud of the fact that I and the party I represent stand foursquare for private enterprise. We are making no apology. My socialist friends to the left can call it what they wish. They can call it the capitalistic system or they can call it the profit system, though I am sure there are not many of them who like to work for no profit. The profit system is after all the very essence and lifeblood of the free enterprise system. We are all too timid, too chicken-hearted to say what we mean in politics these days. We are all too chicken-hearted to say that we believe in the profit system, that we believe in the capitalist system. That is what made this country so strong. If this country had not been quite so strong where would we be standing tonight, when the world does not understand anything but power in the negotiations that are going on?

No, Mr. Speaker, there is no other energizing force that has ever stirred human beings like reward based on results. Let us not kid ourselves. The spark of our whole free enterprise system is that there is a profit in thrift, a reasonable recompense for reasonable endeavour, and that competition is the life of trade. These are among the incentives that prompt the farmer to toil early in the morning and the business executive to study plans late into the night. These are the things that have made the country what it is. These are the principles that give employment. These are the principles that give national strength. These are the principles that make national character. We do not need to restrict free enterprise, Mr. Speaker. We do not need to apologize for the capitalistic system. We should be proud of it. It is the newest system.

My friends to the left are talking as if what they are putting forward is the newest system in the world, but it is the oldest and it has never worked any place. Rather than restriction we need more enterprise. We need more incentive for enterprise. We need more production. We need more gadgets, more tools, more capitalistic expenditures, more consumer goods, and they can be secured if we have sound economic policies.

As far as the labour unions are concerned, a system such as is suggested by my friends to the left, who pretend to be friends of labour, would leave labour in a futile position. Labour would never need to sit across the table from employers, for they would have nothing to talk about. Why, Mr. Speaker, the only way labour can bargain for real wages is by a system that stirs the inventive genius of people who will risk their capital and build plants to give people employment.

Yes, I know my friends would like to have a socialist state. They never ran anything before, but they believe they could run such

a state. They want a state, evidently, where everybody owns everything and nobody owns anything. They want a state where no one has any authority except the politician. You would have a situation where everybody would be going to the politicians or the government with an empty dinner pail in one hand and a state coupon for a government dole in the other.

Yes, Mr. Speaker, the initiative and genius of our people must be given more incentive rather than less. It must if we ever hope to maintain and increase that dynamic leadership that stands behind our economy, if we are going to support the great structure of social services with their tremendous cost that has been established in this country, to say nothing of the great cost of defence.

An hon. Member: Family allowances.

Mr. Rowe: We call that a social service. I do not know what you call it.

Mr. Knowles: That is not what you called it in 1944.

Mr. Rowe: Oh, Mr. Speaker, we have no apologies to make to the hon. member for Winnipeg North Centre (Mr. Knowles) about 1944 or any other year in the history of our progress in this country. It is always interesting and amusing, in fact it is often more amusing than a picture show, to hear these men assert what they will do for this country when they know they have not a hope in heaven of ever assuming responsibility.

The progress that is necessary to keep those services going that we have already established and paid for out of the production of our people cannot be maintained by placing our economy under the shackles of government ownership and state control. History will show that our national progress is still in its infancy, although it has already been great under a private enterprise economy. Our people will not risk, and do not intend to risk, the folly of state ownership and control. The strength we have shown in meeting what we have met in the past was established under that very system. I do not think anyone who pauses to think about what might happen if some of these wild suggestions were put into practice would want to see that done.

If you place the economy of this country in shackles of that kind you are going to place every social service in the same kind of strait-jacket. Just as our economy would be curtailed and doomed if that happened, so would our social services. Those who want the social services most are usually the ones who have contributed the least. It is for that reason that I believe my hon. friends to the left have lost all hope of ever being called upon to form a government. By reason of the nature of their socialistic philosophy, their theory of state ownership and control, they could never become a government in this free enterprise country. In the meantime, Mr. Speaker, they are not even good in opposition because of their reckless advocacy of state ownership. Their only contribution to the political life of this country, to this free enterprise country, unconscious though it may be, is to perpetuate the life of this rather dead government that is in power.

Mr. Knowles: Now tell us what your contribution is.

Mr. Rowe: Now, Mr. Speaker, freedom of enterprise and political freedom go hand in hand. History has shown that neither can stand alone. Wherever they have fallen, freedom of religion has also tottered in slow, tragic succession. We talk about world peace, but can you imagine for a moment what it would be like if you built state controls and state monopolies? You would be pitting one state against another instead of encouraging world peace as you do under a sound economic policy of trade and fellowship. It is a wrong philosophy, Mr. Speaker, in every respect.

I am not going to give any more reasons than I have given, and my hon. friends can expect me to vote against their subamendment. I can assure you now that we on this side of the house have no intention of voting for any such economic folly. I know my friends—

Mr. Knowles: So you will vote with the Liberals.

Mr. Rowe: You have voted with them oftener than I have. I am always interested, however, when I hear those from the other side of the house being so doubtful about our stand on this and that. When I noticed a lull and heard a whisper and looked at them, I found some of their faces were as long as a clock when we moved the amendment concerning health insurance. No, Mr. Speaker, even those to your right say, "Oh, it is a terrible thing." Even the Minister of National Health and Welfare (Mr. Martin) twisted and squirmed—

Mr. Martin: I have not said a thing to you.

Mr. Rowe: No, that is why I knew it bothered you. The minister was afraid to say anything. I am rather amused because we find these same gentlemen who are always trying to help us, the same element in both

classes of political society in this country, always condemning our leadership. They are always finding fault with our leader, not our leader who is absent—

Mr. Argue: Just the acting leader.

Mr. Rowe: I know you do not like him either. I must say that from almost every member on all sides of the house I have had messages of sympathy and good wishes for my absent leader, which I have passed on to him.

Some hon. Members: Hear, hear.

Mr. Rowe: Whether or not some hon. members would rather have me here than him—they are more afraid of him than they are of me—he is going to be back soon anyway. It is rather amusing to me that these same gentlemen find a peculiar objection to anything we might move. They seem to be afraid they might be hurt a little bit. Whenever we bring in something new they find the same objections they keep finding about our leadership. I have sat in this house now for well over a quarter of a century, and we never had an effective leader since I have been the member for Dufferin-Simcoe—

Some hon. Members: Hear, hear.

Mr. Rowe: He laughs best who laughs last; just hold on. We never had one as effective as our present leader—we have never had any leader that the same element in political society did not find fault with, just as they find fault when we suggest something on which they think they have a monopoly. It seems to me my socialist friends to the left think they have a monopoly on everything that is good for humankind. They are past masters at giving away somebody else's money. They have shown no indication of economic soundness on how to get the money.

Some of these large corporations that my hon. friends dislike so much pay the Minister of Finance (Mr. Harris)—he does not keep it long because he spends it rapidly—about 50 per cent of everything they make. My hon. friends to the left are all the time talking about how much we can give away.

I have no apologies to make on behalf of this party for the last clause in our amendment. Surely it cannot be said to be too long, for those past masters in parliamentary procedure have added another paragraph to it and suggested we should adopt the whole thing. I know that Mr. Speaker has some doubts about it. I know there are some members in the house who think it is a little long. I know some would rather have several parts of it left out.

I know that you, Mr. Deputy Speaker, since you come from my own county, are a student of parliamentary procedure. I would suggest to you that despite the fact Mr. Speaker has some doubts about it, you should make a careful study of the amendment. I submit that if the amendment reached from here to you it would not be too long in principle. We are not moving a motion to ask that something be done; we are asking for a recommendation.

I am glad, Mr. Speaker, to see the rules of the house being enforced.

I have said I have no apologies to make, and neither I have. May I remind those hon. members who do not understand the Conservative party as well as they think they do that as long ago as 1942 we had passed at our annual convention an exactly similar policy. And may I remind my friends across the way that we are ready to do something about it. Even though they passed their resolution in 1919, ours has grown more in 13 years than theirs has in 36 years. Now, this is nothing new.

An hon. Member: Don't apologize.

Mr. Rowe: Oh, I am not apologizing. On the contrary, I am trying to apologize for you. I say, Mr. Speaker, that it is nothing new when we suggest a policy such as this. It is nothing very spectacular. Surely my hon. friends who sit to your right, Mr. Speaker, those old champions of free enterprise, those old, dusty free traders of the one wing and high protectionists of the other wing, those men who all down through the years have brought far more spectacular things to parliament, will not say this is new. But the Liberal members have not said a word about it. What the Conservative party has said I will say now, that while we do not expect to come into power tomorrow, you would think the socialist members thought they were going to come into power tomorrow. Certainly we can say that there is no alternative to the present government except this party.

But, Mr. Speaker, I do not want to worry the Minister of National Health and Welfare tonight.

Mr. Martin: Don't worry him too much.

Mr. Rowe: I like him, and since he has reduced he seems to be in such good health that I do not want to hurt him. My health is not so good tonight. I thought at one time I would not have to speak until tomorrow, and if I had waited until tomorrow perhaps I could have been better than I am tonight. But I do feel that I must make it clear that while some no doubt are worried as to what this will do, my hon. friends to your right do not expect that we will have the opportunity to put it into effect

until after the next election, at least. But I assure you that it will not take us 36 years.

And, Mr. Speaker, when we do I assure you and my friends to my left that it is not going to be state medicine, or a socialistic plan. It is not going to interfere with the splendid services of the Blue Cross or other insurance plans.

Mr. Knowles: Will it be compulsory?

Mr. Rowe: Oh, we will look after you fellows after a while. It will not be interference with the provinces, but it will be in co-operation with them.

There seems to be some confusion, but everyone knows that this party I have the honour temporarily to lead stands for the very opposite of state socialism. We do not believe in state medicine; but down through the years we have just as much to our credit in the matter of social welfare and social services as any party in this country. We do not take second place to anyone in that regard. I have just as many friends among the labour movement; in fact I have more friends among the labour movement than I have among you fellows who champion it. And I have just as much concern as anybody in this house over the man who lives by the side of the road, who works hard and toils into the night to keep his family, and who shudders at the very thought of hospitalization. Our aim is to provide for those men who have not had a chance to protect themselves. And it is just as important to have a careful plan of that kind—careful, sound, successful and more or less non-political assistance—as it is to give—

Mr. MacInnis: More or less.

Mr. Rowe: My hon. friend would not understand that. He would only understand "more".

Mr. MacInnis: I did not understand "more or less".

Mr. Rowe: Well, I cannot help it if my hon. friend is slow in understanding these things. I do not wish to take up too much of the time of the house—

An hon. Member: Eleven minutes to go.

Mrs. Fairclough: And all day tomorrow.

Mr. Rowe: Well, perhaps my hon. friend would be satisfied with 11 minutes. However, Mr. Speaker, the members of our present government, those who are responsible for the management of our affairs, claim to be the champions of private enterprise. They are the other private enterprise party. They are the other traditional party. And they are the only party likely to be in power when the Conservative party is not in power. I believe that, too.

I believe that, so far as splinter parties in this country are concerned, unconsciously they contribute to keeping the other major party in power, but they have never contributed anything to keeping our party in power. We always went into power on our own when we did go, and we did not get help from either of them.

I have noticed in connection with those who sit to your right, Mr. Speaker, that after the necessity for certain controls developed during wartime, they developed a queer appetite for state control, and they have controlled a lot of things they should not control. They cling to the control of things to which they should not cling. I am not going to enlarge upon that point tonight. I shall do so on some other occasion, when I shall mention a list of the things they seem to like to control.

When they control so much I would not be cruel enough to say—I could not if I would and would not if I could—that they control the press. But they control so much of the air, transportation, radio and everything else, I have heard it said that once they control those it is not hard to control the press. But I believe they still have a semblance of free enterprise inclinations; I would put it that way.

I know it is the desire of every member in this house that we should encourage production. I have heard hon. members to your right, Mr. Speaker, say many things about those who sit here, but after the years I have spent in parliament I have never doubted the integrity of purpose of hon. members, not even my hon. friends to my left. It is not any doubt of their integrity of purpose, it is only the road they travel that bothers me.

I believe it is the common desire of this whole house to encourage production and encourage employment. I heard an hon. member speaking the other day who went so far as to say that he did not know how we could have more employment, more manufacturing and so on, without increasing tariffs. But to him, as a free trader—he did not say this, but I could see him twisting and squirming in his seat—of the two he would rather have unemployment. But, Mr. Speaker, if we are going to have expansion in agriculture and in industry, which is vital for our future welfare, I just wonder how it can be brought about by the conduct of the present government. There is a vast difference between the method proposed by the government sitting to your right, Mr. Speaker, and

that proposed by the official opposition sitting to your left. Speaking without repetition—

An hon. Member: Explain.

Mr. Rowe: Well, I explained before, but my hon. friend was so busy getting his own speech ready that I noticed at the time he was not listening to me. I shall not explain at length at this late hour, except to say that he must know that we in this party to which I belong stand tonight as we stood in the past for fiscal policy which will be adequate to encourage the development of our own resources and our own country.

Some of my friends say, "explain that". Some of my friends say I did not explain it. Some said it means high tariff walls. I ask some of you younger members to stop using that term, because it is 35 years old. It was used by old-time free traders before some of you young men were born. It was used by members of the party of Sir Wilfrid Laurier at the very time he was imposing higher tariffs than Sir John A. Macdonald had imposed before him. As the hon. member for Queens (Mr. MacLean) so eloquently said the other day, you now maintain tariffs on everything, and no one says anything about it. It seems to me that it is time we got our sight cleared.

I can show on the records of *Hansard* of this parliament that one of the most outstanding leaders the Conservative party ever had moved for a lowering of tariffs on farm implements, and every member of the Liberal party opposed him. Where are the champions of free trade? Where are they tonight?

Mr. Martin: Who was that?

Mr. Rowe: If you read history you will find it.

Some hon. Members: Oh, oh.

Mr. Rowe: Don't laugh it off. It was the Right Hon. Arthur Meighen in 1911. Where are those champions? We have those agriculturists from western Canada. We hear them talk about free trade. I saw some of my friends from western Ontario crying crocodile tears last year for higher tariffs on buttons, bones and bottles in this house. You cannot have it both ways. Before radio came in I can well remember you people blowing hot and cold across this land. I can remember the Right Hon. Mackenzie King preaching free trade in western Canada while at the same time his cohorts were making protectionist speeches in Montreal. That has been the pattern of your party down through the years. What do we find now? What has been said here and in the United States. Some of my hon. friends laugh. It would be laughable if it were not tragic in the present circumstances.

Mr. Howe (Port Arthur): Let us have a vote.

Mr. Rowe: No, you are not going to have a vote for a few minutes.

Mr. Dufresne: They seem to have had enough.

Mr. Rowe: I thought you were sitting in here to listen to me. I see you are just sitting here to vote. If that is the way the Minister of Trade and Commerce feels about it he might as well retire, because he is not doing any good here anyway. We are not going to have a vote tonight. I am not any more generous than you were at six o'clock. I noticed today what Mr. Benson of the United States said they were going to do at GATT. He said that no matter what they do over there they have not yielded one bit on section 22 of the agreement with reference to their agricultural products and their support plan in the United States. In other words, they are going to GATT, but they are not going to reduce the tariff one iota. The same thing was said by Mr. Dulles of the United States.

Yet, Mr. Speaker, our great champions of international trade not only go to GATT but they make all sorts of treaties. My hon. friends are laughing, Mr. Speaker, but I want to tell them that the dairymen across the country are not laughing tonight; the livestock people of this country are not laughing; the half a million unemployed are not laughing tonight, because they see the action of this government, which is one of expediency and no fiscal policy. I ask my hon. friend who looks so smug to rise and tell me whether he stands for free trade. I ask the Minister of National Health and Welfare if he will rise and say whether he stands for free trade.

Mr. Martin: Will you permit me?

Mr. Rowe: No. Do you stand for free trade?

Mr. Martin: I stand for a policy that will produce peaceful relations with other nations of the world. That is the policy this government stands for.

Mr. Rowe: I am glad we are not to have a vote tonight, because at last we have found out that they stand for a policy that will mean peace with everybody. That brings to my mind the remarks of the late Mr. King, who said that we should not provoke the United States of America. Yes, Mr. Speaker, that is the type of policy they have. Will any of the other hon. members rise and say that they stand for free trade?

Mr. Gardiner: We have free implements coming into Canada.

Mr. Rowe: And you charge 90 per cent on bay rum and toothpaste that the little girl uses to clean her teeth. Will you rise and tell me that you are a free trader when you are charging the farmer 35 per cent on dairy machinery such as power churns, milk coolers, milk can washers and so forth in the dairy barn, and at the same time allow cheese to come in in competition with ours at a tariff of half a cent a pound? Will the Minister of Trade and Commerce rise and tell me that he is a free trader? He never was before he came here, when he lived at the head of the lakes.

My friend from western Ontario will not rise and tell me that he is a free trader. If he does he dare not go home until the end of the session. We have a government with an unstable fiscal policy, yet they drag out this old, duty-free trade label with which they try to fool the consumer as well as the producer, and sometimes one would imagine that they are trying to fool themselves.

When I look over the tariff list that the government maintain under the recent trade treaties I feel that they must be fooling themselves. Can you tell me what kind of a sound fiscal policy that is? Where is the soundness in the fiscal policy that charges a tariff all the way from 40 per cent to 90 per cent on articles the consumer uses? Why do you charge tariffs, for instance, on ginger, nutmeg and coffee? The tariff on coffee is 7 cents a pound. Why do you charge a tariff on bananas coming in here? Why do you charge twice as much on bananas as you do on cheese? Are you going to start a banana belt in this climate? Why do you charge 35 per cent on oranges, grapefruit and lemon pulp, while you allow mutton and lamb to come in here at half a cent a pound, a reduction from 7 cents a pound? That is what I mean by fiscal instability, if you want to know. You have a tariff of 40 per cent on mouth organs and 35 per cent on ping pong tables and 90 per cent on bay rum and toothpaste. At the same time you allow products to come in that we are trying to sell. You say we must buy if we are going to sell. My mother taught me that I had to sell before I could buy.

What fiscal stability is there in telling us that we must buy before we sell; that we must lower the tariffs on things we have to sell and raise them on things we have to buy?

Mr. Gardiner: We are making mouth organs.

Mr. Rowe: If you make any more music like that you will ruin the basic industry of this country.

Some hon. Members: Ten o'clock.

Mr. Rowe: Yes, Mr. Speaker, call it ten o'clock.

On motion of Mr. Rowe the debate was adjourned.

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

HOUSE OF COMMONS

Wednesday, February 2, 1955

The house met at 2.30 p.m.

INCOME TAX

STATEMENT ON DEDUCTION OF PROVINCIAL TAX BY QUEBEC RESIDENTS

Hon. J. J. McCann (Minister of National Revenue): In view of the statement made by the Prime Minister (Mr. St. Laurent) in this house on January 17 last following the exchange of correspondence which he had with the premier of Quebec, I think that both hon. members and residents of Quebec would appreciate receiving from me a statement regarding the filing of income tax returns in the coming few months.

Approximately eight million income tax forms have been made available in the province of Quebec through post offices and employers. These forms were printed last fall, and therefore indicate that the allowable tax credit in respect of the Quebec provincial income tax will be the amount paid to the province of Quebec or 5 per cent of the net federal tax, whichever is the lesser. As these forms are now in the hands of the public, it is not my intention to print and distribute new income tax forms amending the maximum credit from 5 per cent to 10 per cent. Residents of Quebec should use the forms already provided, but calculate their provincial tax credit as the lesser of the amount paid to Quebec or 10 per cent of the net federal tax.

As the taxation division must commence processing the 1954 income tax returns when they are received, the revised amount of tax credit will be allowed in the expectation that the house will retroactively enact legislation on this basis for the year 1954. Furthermore, with respect to the year 1955 I am recommending an immediate change in the income tax regulations to permit employers to reduce the amount to be deducted from the remuneration paid to employees working in the province of Quebec by 10 per cent.

EXTERNAL AFFAIRS

FORMOSA—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. M. J. Coldwell (Rosetown-Biggar): I beg leave, Mr. Speaker, seconded by the hon. member for Vancouver-Kingsway (Mr. MacInnis), to move the adjournment of the house under standing order 31 for the purpose of discussing a definite matter of urgent public importance, namely, the critical situation in Formosa, and the need for a clear statement by this House of Commons in support of the position taken by the Secretary of State for External Affairs (Mr. Pearson) on January 25, 1955, when he declared that the final disposition of Formosa should be dealt with by international negotiation, and that pending such a decision consideration should be given to the neutralization of Formosa both in order to prevent any assault upon it by communist forces and also so that it will not be used as a base for invasion of the mainland.

Mr. Speaker, may I just add that the occasion for seeking leave to discuss this matter is that news from London today indicates that a position differing from that taken by our government on January 25 is being taken by our representatives at the commonwealth conference in London.

Hon. Paul Martin (Acting Secretary of State for External Affairs): Mr. Speaker, I wonder if in the absence of the Secretary of State for External Affairs (Mr. Pearson) I might be permitted to make just a brief comment on what my hon. friend has just said.

Mr. Coldwell: I have no objections to that —if I am allowed to proceed with the debate.

Some hon. Members: No, no.

Mr. Speaker: In order to help me make a proper decision, would the hon. member care to hear just as brief a comment from the Minister of National Health and Welfare (Mr. Martin) as that which was made by the hon. member for Rosetown-Biggar (Mr. Coldwell) when he explained why he was making his motion?

Mr. Coldwell: I am not going to object to that. But I do wish to make my own position clear, that if it is going to be debated I want to have the right to speak on my motion.

Mr. Martin: I do not think I would be fair to the hon. member if I indicated it was my intention at this time to debate the proposition, but rather to offer a suggestion or two which I believe, upon reflection, he might agree deserve consideration at this time, and that is that in view of the admittedly important current situation, this house would not want to engage at this time in a discussion

which, I am sure, would not help the situation. I am not saying this by way of criticizing my hon. friend's initiative in the matter, but just to impress upon him that I believe, from the opportunity I have had and the government has had of perusing dispatches which have come to us, that what I have just said is a fully responsible statement.

The hon. member for Prince Albert (Mr. Diefenbaker) had given me notice of his intention to ask a question dealing with this matter. Perhaps I might anticipate his proposed question simply by saying that, in answer to what he was going to ask me about the situation, I was not going to be able to say very much more than to observe, as the house has already noted, that there have been important developments in the Formosan situation since the Secretary of State for External Affairs made his statement on January 25.

On Saturday last the President of the United States signed the joint resolution which has been passed by the House of Representatives and the Senate by very large majorities, as the house knows.

The security council of the United Nations met on Monday to consider communications from New Zealand and the Soviet union both relating to the current situation in the Formosa strait. It was decided to take the New Zealand item first, and the security council decided to invite representatives of communist China to take part in the discussion on this item. The government is glad that this invitation has been extended, and hopes that the Chinese communists will agree to participate in security council attempts to arrange a cease-fire.

Since these suggestions were made to me in written form by permanent officers in the Department of External Affairs I have noted that on January 25 my colleague, the Secretary of State for External Affairs, in answer to a question put by the hon. member for Rosetown-Biggar, said, in part:

> I think I can say that any move or proposal within the United Nations or through diplomatic channels which could serve to achieve the purpose as stated in the President's message "to improve the prospects of peace in the area" will be warmly welcomed by the parliament and by the people of this country.

My final observation is this. The hon. member for Rosetown-Biggar did make reference to the press reports of meetings that are now current in London. Those meetings are private. But I can say to my hon. friend that I am quite satisfied, as I am sure he would be, that in view of the discussions that are taking place in London, and also in view of the fact that the security council is currently in session on this very matter, I do not think

anything I could say, or, if I may say so with great respect, anything anyone else could say at this time, would help in the matter.

The subject as I said is now before the security council. Discussions are in progress there, and an attempt is being made to try to bring the parties together; I would therefore urge that this House of Commons cannot really and profitably add or do anything useful at this time.

Mr. Coldwell: May I just say that I wish to thank the minister for what he has said. But all these considerations were carefully thought of before I introduced this proposal. What I am afraid of is that we are doing exactly what we did in the years between the two wars, in not demanding that this House of Commons express its opinion on grave matters which may involve us in catastrophe later on.

My request is based entirely upon what was said by the Secretary of State for External Affairs in the house on January 25 and the fact that authoritative statements from London today indicate that there has been a change of attitude by our representatives there.

Mr. J. G. Diefenbaker (Prince Albert): As the minister has indicated, I had intended to ask a question. In view of what he has stated, we in this party do not want to do anything that will aggravate the tense situation.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: While usually I assert the supremacy of parliament, in this case, in the interests of all of us, I adhere absolutely to what my hon. friend the minister has said, that at this time it might be dangerous to discuss the matters that are being considered both before the United Nations and also at the commonwealth prime ministers' meeting.

Mr. E. G. Hansell (Macleod): Mr. Speaker, may I interject a word or two which may be more in the nature of a point of order. I appreciate what has been said, and also appreciate the attitude of the Acting Secretary of State for External Affairs, when he suggests that the situation might be aggravated by discussion. But my point of order is that the matter is not now being debated.

As I listened to the minister it appeared to me that he was debating the issue. I would urge you, Mr. Speaker, to consider this matter, not on the basis of whether it will aggravate or alleviate the situation but purely on the basis of whether or not it is of urgent public importance.

Mr. Speaker: I am grateful to hon. members who have taken part in the debate—one which obviously has taken place with unanimous

consent. In what they have said they have helped me to make up my mind.

Hon. members realize of course that this is a delicate duty for me to perform, when I am asked to decide whether a matter submitted in this way, by virtue of standing order 31, is of urgent public importance.

There is no question that the matter is one of importance, but as hon. members know—and several decisions have been rendered in the past by my predecessors and I have had the occasion to decide likewise myself in the course of the last session—what must be examined when we decide whether a matter is of urgent public importance is to see whether there is urgency of debate. Hon. members will agree with me that whenever a motion of this type is moved, when the debate on the speech from the throne is currently taking place, in the course of which they may talk about anything they wish—they have done so and perhaps will continue to do so today and tomorrow—full opportunity might be given to all hon. members to discuss the very matter that is mentioned in this motion.

I do not want to deliberate too long. Hon. members can very well see that my decision is against the motion being debated at the moment. I do not think there is urgency of debate such as that which is contemplated by standing order 31 and our practice with respect to it. I just want to add this comment to which I do not want hon. members to attach too much meaning, but perhaps give some thought to. In this instance the matter which is being brought forward is one which consists of asking a clear statement by the house on a certain problem. It strikes me when I read this that the definite matter of urgent public importance is said to be the critical situation in Formosa. Well, the papers inform us about the circumstances relating to that and we have had statements on that in this house. The second part of the motion strikes me as being unusual in motions of this kind. It refers to the need for a clear statement by this house in support of the position taken on a previous day by a minister in this house. I do not know really what could be achieved. Usually it is a matter which is defined. A certain set of circumstances are outlined and the order of reference is spelled out in a more detailed way. As it stands now, what is being asked for is another debate on external affairs. That is what we would have today, because there would be no way in which I could restrict the debate to the situation in Formosa. Hon. members may decide that whatever has taken place recently in respect to NATO has relation to the Pacific and the conditions under which we live being what they are, the world being just one, we would have a general debate on external affairs.

Anyway, as I said, the question is certainly one of importance; but in view of the fact that a debate on the speech from the throne is currently taking place, hon. members will have ample opportunity to debate not only this question but any one that they feel is related to it. Therefore, with much regret, I must reject the request of the hon. member to move the adjournment of the house at this time.

QUESTIONS

G. M. FERRIE

Mr. Nicholson:

1. Has G. M. Ferrie, of Invermay, Saskatchewan, been employed by the Department of Agriculture?
2. If so, what work has he been doing?
3. What has been paid to him (a) as salary; (b) for expenses?

Mr. Gardiner:

1. Yes, since April 1, 1954.

2. Agricultural supervisor, P.F.R.A.

3. (a) $2,475.00, to December 31, 1954; (b) $1,081.74, to December 31, 1954.

DESTROYER ESCORTS

Mr. Winch:

With respect to destroyer escorts built in Canada since 1952:
1. In what shipyard was each built?
2. What was the total price paid for each vessel?
3. What was the total labour cost in the price of each vessel?

Mr. Dickey:

1. No destroyer escorts have been completed since 1952. Those under construction are: D.E. 205, Canadian Vickers Limited, Montreal, P.Q.; D.E. 206, Halifax Shipyards Limited, Halifax, N.S.; D.E. 207 Burrard Dry Dock Co. Ltd., North Vancouver, B.C.; D.E. 234, Marine Industries Limited, Sorel, P.Q.; D.E. 229, Canadian Vickers Limited, Montreal, P.Q.; D.E. 230, Halifax Shipyards Limited, Halifax, N.S.; D.E. 233, Yarrows Limited, Victoria, B.C.; D.E. 257, Canadian Vickers Limited, Montreal, P.Q.; D.E. 258, Burrard Dry Dock Co. Ltd., North Vancouver, B.C.; D.E. 236, Davie Shipbuilding Limited, Levis, P.Q.; D.E. 235, Halifax Shipyards Limited, Halifax, N.S.; D.E. 256, Marine Industries Limited, Sorel, P.Q.; D.E. 259, Victoria Machinery Depot Co. Ltd., Victoria, B.C.; D.E. 260, Burrard Dry Dock Co. Ltd., North Vancouver, B.C.

2. Unknown—vessels not completed.

3. Unknown—vessels not completed.

Questions

ONTARIO AND QUEBEC—LUMBER IMPORTS, 1954

Mr. Hodgson:

1. How much British Columbia lumber was delivered to Ontario and Quebec, by provinces, in 1954?

2. How much oak, if any, was imported from the United States in 1954?

Mr. Dickey:

1. Shipments of lumber and sawn ties during January 1-November 30, 1954, reported to dominion bureau of statistics by British Columbia saw mills, totalled 3,276,584,000 feet board measure of which 144,798,000 feet went to Ontario and 27,609,000 feet to Quebec. In addition, shipments totalling 622,938,000 feet have been estimated for non-reporting British Columbia mills during the same period, destination of which cannot be determined. The above figures refer to shipments to first destination only. Figures for December, 1954 are not yet available.

2. Imports of oak from the United States during the period January 1 to November 30, 1954 amounted to 33,357 thousand feet. Figures for December 1954 are not yet available.

TRANS-CANADA HIGHWAY

Mr. Hodgson:

1. How many miles of the trans-Canada highway were completed by December 31, 1954, by provinces?

2. How many miles were built in 1954, by provinces?

3. How many miles are under construction, by provinces?

4. How many miles have been completed through the national parks?

Mr. Bourget: 1, 2, 3 and 4.

GRADING

Province	Mileage Completed Dec. 31, 1954	Mileage Constructed Calendar Year 1954	Mileage Under Construction	Mileage Completed in National Parks
Newfoundland	173·2	35·1	112·3	—
Prince Edward Island	54·7	16·6	0·3	—
Nova Scotia	6·8	6·8	6·7	—
New Brunswick	58·8	13·2	9·1	—
Ontario	373·1	67·3	20·9	—
Manitoba	117·3	14·1	19·7	—
Saskatchewan	317·1	53·4	35·4	—
Alberta	196·4	—	17·9	—
Banff and Yoho parks	13·0	0·8	13·2	13·0
British Columbia	161·0	43·3	20·5	—
	1,471·4	250·6	256·0	13·0

BASE COURSE AND PAVING

Newfoundland	—	—	—	—
Prince Edward Island	45·8	12·6	2·4	—
Nova Scotia	2·7	2·7	6·8	—
New Brunswick	52·2	6·6	8·3	—
Ontario	313·7	65·4	24·2	—
Manitoba	130·1	34·5	5·6	—
Saskatchewan	230·4	64·8	36·0	—
Alberta	150·9	41·6	32·4	—
Banff and Yoho parks	5·8	—	5·5	5·8
British Columbia	138·8	39·3	27·6	—
	1,070·4	267·5	148·8	5·8

STAMP VENDING MACHINES

Mr. Fulton:

1. Does the Post Office Department own or lease any stamp vending machines?

2. Does the department authorize the use of such machines in stores or similar locations for the sale of postage stamps to the public?

3. Is it the policy of the department to discontinue over the counter sales of stamps in stores and substitute sales through vending machines? If not, what is the policy with respect to such machines?

4. Does the public receive from such machines stamps of a face value fully equivalent to the amount of money they have inserted in the machine? If not, what are the details of the rate of profit on such sales of stamps?

5. How are such profits divided?

6. What steps are taken to ensure that the public is made aware that they will not receive from the machine stamps of a face value equivalent to the amount of money they have inserted?

Mr. Kirk (Shelburne-Yarmouth-Clare):

1. Yes—owns but does not lease.

2. Machines owned by the department are located at post offices and airports only. The

department issues permits for the sale of stamps through privately owned vending machines at approved locations.

3. No—vending machines supplement sales over the counter.

4. Machines owned and operated by the department vend stamps at face value. Operators of privately owned machines may sell stamps at a profit of 1 cent on each 5 cent sale; 2 cents on each 10 cent sale, and 5 cents on each 25 cent sale. Some owners sell at a profit of only 1 cent on their 10 cent sales.

5. Owners of machines purchase stamps from the department at face value, and financial details respecting division of profits are arranged between owners of machines and occupants of locations.

6. Operators are required to indicate clearly above each slot the number and value of stamps which will be received for the coin inserted.

PRAIRIE FARM ASSISTANCE PAYMENTS

Mr. McCullough (Moose Mountain):

1. How many farmers in Manitoba, Saskatchewan and Alberta, respectively, were eligible for prairie farm assistance payments for the crop years of 1953 and 1954?
2. How many were in the various categories of payment?

Mr. Gardiner:

1. Crop year, 1953, Manitoba, 5,025 farmers; Saskatchewan, 5,733 farmers; Alberta, 5,547 farmers; total, 16,305 farmers.

Crop year, 1954, information not yet available.

2. Crop year, 1953, 0-4 category, Manitoba, 373 farmers; Saskatchewan, 369 farmers; Alberta, 1,011 farmers; total, 1,753 farmers.

Crop year, 1954, information not yet available.

4-8 category, Manitoba, 4,652 farmers; Saskatchewan, 5,364 farmers; Alberta, 4,536 farmers; total, 14,552 farmers.

Crop year, 1954, information not yet available.

BURNABY GENERAL HOSPITAL

Mr. Goode:

When the provincial government of British Columbia decides to approve an addition to Burnaby General hospital of 100 odd beds, will federal funds be available to aid in the capital cost of that addition?

Mr. Robertson: If a formal submission of project is received from the province asking for assistance toward the construction of additional beds at the Burnaby General hospital, the submission will be considered within the terms of the federal hospital construction grant.

R. R. 2, OMEMEE, ONT.—TENDERS

Mr. Hodgson:

1. How many tenders were received by the Post Office Department in connection with the courier service, rural route No. 2, Omemee, Ontario?
2. What were the names of those submitting tenders?
3. What was the price of each tender?
4. Who received the contract?
5. Why was this mail route put up for tender?
6. Is it departmental policy to put all mail routes up for tender at the expiry date?

Mr. Kirk (Shelburne-Yarmouth-Clare):

1. Five.

2 and 3.

	Per annum
Alfred Michael Dewan...	$1,200.00
George Magee	1,244.76
Hilliard Heasman	1,300.00
Richard James Skuce	1,800.00
Victor Williams	2,000.00

4. Alfred Michael Dewan.

5. To obtain competitive rates.

6. No.

CANSO CAUSEWAY

Mr. Brooks:

1. What is the total cost to the federal government of the Canso causeway uniting Cape Breton island with the mainland of Nova Scotia?
2. How much of this was paid for (a) labour; (b) material; (c) miscellaneous expenses?

Mr. Langlois (Gaspe):

1. Expenditure to December 31, 1954	$10,725,425
Estimated expenditure January 1 to March 31, 1955.	4,819,815
Estimated expenditure fiscal year 1955-56	3,564,000
Estimated total cost:....	$19,109,240
Estimated share of federal government	14,400,000
Estimated share of province of Nova Scotia	4,700,000

2. Construction contracts are on a unit price basis and no breakdown as between labour, material, and miscellaneous costs is available.

BURLINGTON BEACH BRIDGE

Mr. Houck:

1. How far are the plans finalized in connection with the bridge at Burlington Beach cut-off, connecting the Queen Elizabeth highway?
2. When will construction work begin?
3. What is the expected date of completion of this bridge?

Mr. Langlois (Gaspe):

1. The plans for the new Burlington Beach bridge are being prepared by a consulting engineer working under instructions of the Ontario department of highways.

2 and 3. Information not available.

Questions

VANCOUVER GENERAL HOSPITAL

Mr. Goode:

1. What area in acres is occupied by the Vancouver General hospital?
2. How many patients may be accommodated in the hospital?
3. How many private pavilions are contained in the hospital proper, and containing how many beds?
4. How many private and semi-private wards are contained in the main buildings?
5. What is the total capital construction cost of the Vancouver General hospital?
6. How much money has been spent by the federal government to aid in this construction cost, before 1949 and since January 1, 1949?
7. Is federal money allocated on advice of the provincial government of British Columbia?

Mr. Robertson:

1 to 5. As this is a matter which comes within the jurisdiction of the provincial authorities it is suggested that the inquiry be directed to them.

6. Before 1949—nil. January 1, 1949 to date—$494,090.62.

7. Yes. Federal assistance is calculated and approved on the basis of information formally submitted by the provinces.

VANCOUVER GENERAL HOSPITAL

Mr. Goode:

1. How much in federal funds remains unspent on capital construction in connection with Vancouver General hospital?
2. How many registered nurses work at the hospital?
3. How many student nurses are training at the hospital?
4. How many nurses live in?
5. How many patients have been accommodated at the Vancouver General hospital in 1949, 1950, 1951, 1952, 1953, 1954?
6. What is the federal expenditure in aid, allocated to this hospital since 1949 in surgical and research equipment?
7. How many stretcher patients and patients entirely bed-ridden, on an average day, are accommodated in the Vancouver General hospital?

Mr. Robertson:

1. $62,000.

2 to 5. As this is a matter which comes within the jurisdiction of the provincial authorities it is suggested that the inquiry be directed to them.

6. Nil.

7. See answer to Nos. 2 to 5 above.

ANTIBIOTIC DRUGS

Mr. Huffman:

What have been the results in Canada of treatment of tuberculosis by the new antibiotic drugs?

Mr. Robertson: During the last few years, treatment with the new antimicrobial drugs, streptomycin, P.A.S. and isoniazid, has become the basic treatment for pulmonary tuberculosis. The death rate from tuberculosis in Canada in 1953 was one-third the death rate in 1948; 1948, 37·3/100,000 population; 1953—12·3/100,000 population.

Outstanding among the factors contributing to this striking decline is the fact that since 1948 the federal government has provided over $3,500,000 under the national health grants program for the free treatment of tuberculosis by these new drugs.

SAINT'S REST RIFLE RANGE

Mr. Bell:

1. Has the land known as the Saint's Rest rifle range in Lancaster, New Brunswick, been sold by the Crown Assets Disposal Corporation or the Department of National Defence?
2. If so, when and at what price?
3. Was this sale by tender?
4. If so, was the highest tender accepted?
5. What were the amounts of the other tenders?

Mr. Dickey:

1. Yes, by Crown Assets Disposal Corporation.

2. On August 3, 1954, for $1,000—subject to covenants by the purchaser at his own expense to reclaim the land by the repair and replacement of a dike and sluiceway, and to indemnify the crown against all claims arising out of impairment of the said land or adjoining lands by reason of damage or destruction of the said dike and sluiceway.

3. No. In order to meet the conditions outlined in No. 2 above, the sale was negotiated with a purchaser approved by the marshlands commission for the parish of Lancaster county.

4. Answered by No. 3.

5. Answered by No. 3.

LIBRARY OF PARLIAMENT

Mr. Lennard:

1. What has been spent to date on the restoration of the library of parliament?
2. Is the restoration being done by contract?
3. If so, what is the contract price?
4. If not, what is the estimated complete cost?
5. When will the restoration be completed?

Mr. Bourget:

1. $702,554.95 as of December 1, 1954.

2. Yes.

3. The original contract was based on an estimated cost of approximately $1,000,000. As demolition progressed, it became clear that the work of rehabilitation would be considerably more extensive than was originally estimated with consequent greater cost. It is now estimated that the final cost will be $2,398,000.

4. See answer to No. 3.

5. It is estimated construction work will be completed by April 1956.

POST OFFICE BUILDING, SELKIRK, MAN.

Mr. Bryce:

1. What are the plans of the Post Office Department regarding a new post office at Selkirk, Manitoba?
2. Has the site been purchased?
3. If so, when will construction start?

Mr. Pinard:

1. The present accommodation at Selkirk is not considered adequate for the proper operation of this post office. Consequently the Post Office Department has recommended that the public works department give consideration to the erection of a new building.

2. No.

3. Answered by No. 2.

INFLUENZA

Mr. Carrick:

What, if anything, is being done by the federal government to develop methods of protection against influenza?

Mr. Robertson: The Department of National Health and Welfare has taken steps, under the national health grants program, toward developing and testing a vaccine which it is hoped will confer immunity to influenza.

With funds provided under the public health research grant influenza vaccine has been produced at the institute of microbiology, University of Montreal, and is being tested this year in 8,000 human volunteers in the province of Quebec, by the staff of the institute of microbiology, and members of the Department of National Health and Welfare. A special objective of this study is to compare the effects of aerosal-booster doses, with vaccinations given in the conventional manner.

PUBLIC BUILDING, NELSON, B.C.

Mr. Hansell:

1. What progress has been made to date in the erection of the public building at Nelson, British Columbia?
2. What kind of heating equipment is being installed and what is the estimated cost of this equipment?
3. If the equipment is coal burning equipment, what is the estimated yearly cost of this fuel?
4. If the equipment is oil burning equipment, what is the estimated yearly cost?

Mr. Bourget:

1. The contract for the construction of the building was awarded on September 27, 1954. About 20 per cent of the work has been completed.

2. (a) Oil burning equipment; (b) approximately $1,550.

3. Answered by No. 2.

4. Approximately $3,500.

ASSOCIATED AIRWAYS—FREIGHT SERVICE TO NORTHWEST TERRITORIES

Mr. Harkness:

1. Did the Associated Airways Limited apply for a licence to operate a scheduled freight service from Edmonton to various points in the Northwest Territories and/or the Yukon?
2. If so, on what date or dates was this application heard by the air transport board?
3. What was the decision of the board and what was the date on which this decision was made?
4. If the decision was in the negative, what were the reasons for the refusal of this licence?

Mr. Langlois (Gaspe):

1. Yes.

2. July 19 and 20, 1954, at Edmonton, Alberta.

3. The board denied the application on November 30, 1954.

4. The reasons for the board's action can be found in the board's decision of November 30, 1954, which is a public document.

FARM PRODUCTS IN STORAGE

Mr. Thatcher:

1. As at January 1, 1955, what farm products did the government, including any branch, corporation or agency thereof, have in storage?
2. What was the total original cost of each such product?

Mr. Gardiner:

1. Butter and eggs.

2. Butter—$42,156,820.93; eggs—$925,297.20.

INCOME TAX APPEAL NO. 227

Mr. Knowles:

1. When did the appellant company in income tax appeal board case No. 227, heard in November, 1954, actually purchase the property referred to in the judgment of the board concerning this case?
2. Were any contracts awarded by the federal government, or any department or agency thereof, to the appellant company or to its subsidiary, as referred to in the said judgment, at any time prior to the purchase of the property in question?
3. If so, what was the nature of such contracts?
4. Are any contracts between the appellant company or its subsidiary and the federal government, or any department or agency thereof, now under consideration?
5. Have any members of the federal government, or any officials or representatives of the federal government or any department or agency thereof, been entertained at the property referred to in the judgment, at any time?
6. If so, who?

Mr. McCann: Mr. Speaker, this question calls for an oral answer. The answer to the first part of the question is May 13, 1952.

With respect to the second part of the question, I would ask that the words "at any time" be clarified. That could go back to the beginning of time or to confederation. There should be some limit within which we would have to make an inquiry as to whether or not

there had been any contracts. If the hon. gentleman would signify a reasonable time we shall attempt to give an answer.

Mr. Knowles: Would the minister go back to the time when the company was incorporated?

Mr. McCann: Do you know that?

Mr. Knowles: I take it that the minister does; he was the respondent in the case.

Mr. McCann: No, I do not know when it was incorporated.

Mr. Fulton: The minister can find it out quite easily.

Mr. Fleming: The Secretary of State can tell him that quite easily.

Mr. Speaker: Perhaps that part of the question can stand and the minister and the hon. member may get together in order to define what they mean by "at any time".

Mr. McCann: The answer to the third part of the question depends upon the answer to the second part.

The answer to No. 4 is "no."

Then as to Nos. 5 and 6, we have made a great number of inquiries and so far have not been able to find anyone who has been entertained at this place.

NARCOTIC DRUG PROBLEM

Mr. Philpott:

1. What has happened with respect to the conference which the attorney general of British Columbia proposed to convene with the provinces of Ontario and Quebec and the federal government to discuss the narcotic drug problem?

2. Has the federal government made any suggestion for consideration with the province of British Columbia respecting the establishment of a treatment centre for narcotic drug addicts?

Mr. Robertson:

1. The attorney general of British Columbia wrote to the Minister of National Health and Welfare on November 18 enclosing a copy of a letter which he had sent to the attorneys general of Ontario and Quebec and to the Minister of Justice. In this communication he suggested a conference to be held in Toronto or in Ottawa prior to the end of 1954 to consider a joint study of the drug problem for the purpose of developing an approach to the treatment of narcotic addiction on what would be virtually a national scale.

On November 30, the Minister of National Health and Welfare advised the attorney general of British Columbia that he would be very glad to have representatives of the Department of National Health and Welfare attend any meeting he might arrange. The minister also took this opportunity to point out that even though federal responsibility would seem to lie in the field of legal distribution and enforcement, the federal government had felt for some time that the solution of the drug problem was one that would not wholly be met by enforcement. The minister pointed out the steps that he had initiated some two years previously in which he raised with the ministers of health of all the provinces of Canada the desirability of some study of the narcotic problem with a view to the establishment of suitable treatment facilities and procedures.

2. On December 3, 1954, the Minister of National Health and Welfare again wrote to the attorney general of British Columbia suggesting that the federal government would be prepared to consider arrangements whereby the William Head quarantine station on Vancouver island could be made available to the province for operation by it as a treatment centre for drug addicts in the province of British Columbia. The minister also suggested that some financial assistance might be provided under the federal hospital construction grant to take care of part at least of any alterations that might be required in order to make the premises suitable to the province for the purpose of a treatment centre.

The minister has had no reply to either communication and is still waiting word from the attorney general of British Columbia with respect to the date and place of the conference suggested, as well as with respect to the proposal made respecting the William Head quarantine station.

SAINT JOHN, N.B.—TRANSFER OF FISHERIES SERVICES

Mr. Bell:

1. Has the Department of Fisheries transferred during the past year, and/or does it contemplate transferring any of its services or facilities from Saint John?

2. If so, how many employees are involved?

Mr. MacNaught:

1. No service or facility has been transferred from Saint John during the past year, nor is such action contemplated in the immediate future.

2. Answered by No. 1.

POST OFFICE SITE, NORTH BATTLEFORD

Mr. Campbell:

1. Has the Department of Public Works acquired a site for a post office in North Battleford?

2. If so, will the building be proceeded with this year?

Mr. Bourget:

1. No.

2. Answered by No. 1.

IMPERIAL OIL COMPANY—FEDERAL SUBSIDY

Mr. Argue:

1. Is any federal government subsidy paid to the Imperial Oil company?
2. If so, what is the amount and purpose of the subsidy?
3. Is any part of the subsidy paid to the Imperial Oil company on its Norman Wells operations?
4. If so, what is the amount and nature of such subsidy?

Mr. Pinard:

1. No.
2. Answered by No. 1.
3. No.
4. Not applicable.

CONSTRUCTION CAMPS—SANITARY CONDITIONS

Mr. Buchanan:

Is there any control by the federal government over sanitary conditions in construction camps on federal projects?

Mr. Robertson: Yes. The public health engineering division of the Department of National Health and Welfare is responsible for administering the Public Works Health Act and regulations. All major construction camps of federal projects are examined frequently by the department's engineers to ensure that the requirements of the act and regulations are fully met.

POST OFFICE BUILDING, TEESWATER, ONT.

Mr. Robinson (Bruce):

1. Has the government purchased a site for a new post office in Teeswater, Ontario?
2. If so, on what date was the purchase made?
3. What was the purchase price?
4. Has any work been done on the site purchased? If so, what type of work?
5. Have plans yet been made for erecting a post office on the site purchased?
6. If so, what size and type of building do such plans cover?
7. When do such plans call for completion of the building?

Mr. Bourget:

1. Yes, two properties purchased.

2 and 3. One property purchased from Milby A. McDonald on March 4, 1953, for $2,000. One property purchased from the trustees of Teeswater Presbyterian church on February 24, 1953, for $800.

4. No.

5. No.

6 and 7. Answered by No. 5.

QUESTIONS PASSED AS ORDERS FOR RETURNS

HOSPITALS, BRITISH COLUMBIA

Mr. Goode:

1. How many beds are available in hospitals from the eastern boundary of Vancouver to the city of Chilliwack, including the Fraser valley?
2. What is the allocation of federal funds for these hospitals before 1949, since January 1, 1949?
3. How many nurses are being trained in these hospitals?
4. Is federal money allocated to these hospitals on advice of the provincial government of British Columbia?
5. Has any provincial request for funds for these hospitals, for capital construction, been refused since 1949?

Mr. Pinard: Return tabled.

RENTALS CHARGED, CHARLOTTETOWN

Mr. Matheson:

What rentals were charged by the government to the various tenants on the federal building site at Charlottetown from the time possession of the buildings was gained until they were razed for the construction work on the new building which is underway at the present time?

Mr. Bourget: Return tabled.

TENDERS FOR PRINTING

Mr. Harkness:

1. When tenders for printing are asked for by the queen's printer, what means are taken to inform printers that tenders will be received?
2. During the last six months how many invitations to tender have been sent to printers: (a) in the province of Ontario; (b) in the province of Quebec; (c) in the maritime provinces; (d) in the four western provinces?

Mr. Pinard: Return tabled.

COST PLUS CONTRACTS

Mr. Thatcher:

1. Since March 31, 1954, how many contracts, if any, have been let by the Department of National Defence, the Department of Defence Production or the Department of Public Works, (a) on a basis of "cost plus a per cent"; (b) on a basis of cost plus a fixed fee?
2. What was the dollar value of each such contract, and to what company was it given?

TELEVISION AND RADIO SETS—EXCISE TAX

Mr. Fraser (Peterborough):

1. What was the total number of television sets sold in Canada, during the last ten months of 1954?
2. What was the total amount of excise tax collected on these sets, during the last ten months of 1954?
3. What was the total amount of excise tax turned over to the Canadian Broadcasting Corporation on the sale of these sets, during the last ten months of 1954?
4. What was the total number of radios sold in Canada, during the last ten months of 1954?
5. What was the total amount of excise tax collected on radio sets, during the last ten months of 1954?
6. What was the total amount of excise tax turned over to the Canadian Broadcasting Corporation on the sale of these sets, during the last ten months of 1954?
7. What was the total sale value of television sets sold, during the last ten months of 1954?
8. What was the total sale value of radio sets sold, during the last ten months of 1954?

SHELLFISH

Mr. Stuart (Charlotte):

What protection is given the consumer in Canada of shellfish in respect of the sanitary quality of shellfish?

Mr. Pinard: Return tabled.

NATIONAL HEALTH INSURANCE

Mr. Knowles:

1. Since January 1, 1954, how many organizations, if any, in briefs or submissions to the federal government, or to any minister or ministers thereof, have urged the enactment of national health insurance?
2. What are the names of the organizations which have made such a request?
3. What has been the government's reply to these requests?

MOTIONS FOR PAPERS

WATER POLLUTION, NORTH SASKATCHEWAN RIVER

Mr. Diefenbaker:

For a copy of all correspondence, letters, telegrams and other documents, since the 1st day of February, 1954, which have passed between any department of the provincial governments of Alberta, Saskatchewan and Manitoba, and any department of the federal government, relative to the pollution of the North Saskatchewan river, and any recommendations which have been determined upon to meet the situation on the said river or, in general, on interprovincial rivers.

Mr. Howe (Port Arthur): With the usual reservation.

Mr. Speaker: Motion agreed to subject to the reservation made by the minister.

PURCHASE OF PROPERTY, SARNIA

Mr. Murphy (Lambton West):

For a copy of all correspondence, letters, telegrams and other documents exchanged between the Department of Transport and/or the Canadian National Railways and Messrs. W. C. Nelson and D. F. Stonehouse, since May 1, 1953 to date, with respect to property in Sarnia or Point Edward purchased by W. C. Nelson and D. F. Stonehouse.

Mr. Marler: The files of the Department of Transport have been searched and no record can be found of any communication between the department and Messrs. W. C. Nelson and D. F. Stonehouse with respect to property in Sarnia or Point Edward purchased by W. C. Nelson and D. F. Stonehouse. With respect to the Canadian National Railways, in accordance with the established practice consistently approved by parliament the management take the position that they should not be called upon to make public correspondence or any other documents which relate to the internal management of the railway. In the circumstances, perhaps the hon. member would be agreeable to withdrawing his motion.

Mr. Speaker: Is that agreeable?

[Mr. Fraser (Peterborough).]

Mr. Murphy (Lambton West): Yes; we will get the information in another way.

Mr. Speaker: Motion withdrawn.

TABER, ALTA., POST OFFICE BUILDING

Mr. Wylie:

For a copy of all correspondence, letters, telegrams and other documents which have passed between any department of the federal government and any person or persons, from January 1, 1949, to date, in connection with the building and official opening of the Taber, Alberta, post office.

FRUIT

BRITISH COLUMBIA APPLES—REPORTED POOR CONDITION ON SCOTTISH MARKET

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. In view of recent newspaper reports that one sad highland shopkeeper at Inverness, Scotland, has discovered a few damaged apples in a box of British Columbia apples, and in view of the minister's interest in the sale of Canadian apples in Great Britain, could the minister inform the house if he has had any investigation made into the handling of Canadian apples after they leave Canada? If so, can the minister give the house any information on this question?

Mr. Nowlan: Buy Nova Scotia apples.

Right Hon. J. G. Gardiner (Minister of Agriculture): The first shipments arrived early in December in good condition and brought premium prices at auction. Shipments arriving later in the month showed some evidence of bruising and, as a result, brought lower prices at auction.

On receipt of this information the shippers were contacted in an effort to trace the individual shipments, with a view to ascertaining if the bruising resulted from rough handling in transit. This investigation is still continuing.

It should be pointed out that this is not a government to government transaction, but a private sale between Canadian exporters and wholesalers in the United Kingdom. Both the Canadian apple packers and the British distributors are vitally concerned with finding an explanation.

NATIONAL DEFENCE

SUGGESTED CHANGE IN NAVAL REGULATIONS RESPECTING USE OF ALCOHOL

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Minister of National Defence in connection with the investigation now going on

into the recent occurrence on H.M.C.S. *Magnificent*. I should like to ask him whether or not a report was made in 1949 following the Mainguy commission with reference to the use of intoxicating liquors by ratings and officers in the navy and whether, instead of punishment being given to the naval ratings in this case, consideration might be given to equalizing the regulations so those that now apply to ratings will be made equally applicable to officers.

Hon. R. O. Campney (Minister of National Defence): I thank the hon. member for intimating something of the nature of the question he intended to ask. With reference to the first point, there was a recommendation in the Mainguy report that consideration of the terms under which the use of alcohol on shipboard would be permitted should be reviewed by the naval authorities in the light of present conditions. I understand that subsequently a naval board did review the conditions and the regulations and the members of the board indicated that they felt that the situation as it then existed was satisfactory and recommended that no change be made.

I may say that the regulations are of long standing. There are regulations governing the use of alcohol by ratings. There are other regulations governing the use of alcohol on shipboard by petty officers. There are still other regulations with respect to the use of alcohol by officers on shipboard. These regulations have been in effect for a long time and following the review by a naval board and the recommendation to which I have referred they have remained unchanged.

With respect to the second question as to the remission or otherwise of punishment, with all due respect to the hon. gentleman I think the question is premature because service tribunals will first have to deal with these matters if and when charges are laid. Their decisions must then be reviewed by naval authorities. It would be only after any punishment that might have been awarded had gone through this process that it would come before me. I do not think that I should commit myself or make any comment on a punishment that is so far from being a fact.

If I recollect the last question correctly, it had to do with amendments to the regulations in order to make the same regulations applicable to officers, petty officers and men. I am told that these regulations were based on a careful appraisal of all the facts. One of the factors upon which the regulations dealing with the men were based was the difficulty of stowage and supervision of a certain amount of liquor on shipboard. Of course the men have their wet canteens ashore, so that what I have said only applies to ships.

The use of alcohol by officers on shipboard is most carefully supervised. As a matter of fact a record has to be kept of each officer and they are strictly under the captain's jurisdiction. I do not think it would be advisable to consider changes in the regulations in effect in view of the fact that they have been so long established and of the added fact that they have been reviewed comparatively recently.

Mr. Diefenbaker: How long have they been in effect?

Mr. Campney: I have not been able to get the exact date, but it is a great many generations.

CIVILIAN USE OF LONG BRANCH RIFLE RANGE

On the orders of the day:

Mr. Roland Michener (St. Paul's): Mr. Speaker, I would like to ask the Minister of National Defence whether he can now give an answer to my question in regard to the use of the Long Branch rifle range.

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, my hon. friend's question was brought to my attention just a short while ago and I will try to give an answer within the next day or two.

GRAIN

FREIGHT ASSISTANCE—REQUEST FOR POSTPONEMENT OF CHANGE IN POLICY

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. In view of the corrections which he has made on pages 716 and 717 of *Hansard*, and in view of the further representations which have been received from the poultrymen of British Columbia, would he correct the statement he made on page 715 in view of the finality there given regarding the removal of freight assistance to feed grains going into British Columbia?

Right Hon. J. G. Gardiner (Minister of Agriculture): Unfortunately for my hon. friend, that is not subject to correction.

[*Later:*]

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I would like to ask the Minister of Agriculture a question relating to the matter of feed grain assistance. He was asked yesterday if

he would consider offering a reduction as it applies to British Columbia and he gave the answer that unfortunately that could not be done. I would like to ask him whether, in view of the shortage of feed grain which exists, particularly for the cattle industry in the interior, he would at least consider postponing the effective date of reduction in order that the cattle growers there can get their cattle through the winter without an increase in cost.

Mr. Gardiner: Mr. Speaker, as was said at the time the announcement was made, this is a matter which comes within the same category as announcements with regard to changes in tariffs, and there are too many opportunities for persons to take advantage of any delay in the matter of bringing it into effect. As a matter of fact, if it had not been for that we probably would not have taken action as of February 1, but because of the many ways in which people could take advantage of a decision which was only going to come into effect at a later date we found that impossible.

EGGS

ALLEGED PURCHASE FROM PRODUCERS AT LESS THAN SUPPORT PRICE

On the orders of the day:

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. In view of the fact that the floor price on eggs now stands at 38 cents, is it permissible for egg dealers in central Ontario to buy eggs from the producers at 26 to 29 cents?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I would like to have information on which I could base some action before giving an answer to that question. I have been following the press very carefully, and I have not noticed that price for grade A large eggs listed in any particular area.

Mr. Hodgson: I have that information and I will see that the minister gets it.

UNEMPLOYMENT INSURANCE

BELL ISLAND, NFLD., REPORTED DIFFICULTY IN SECURING PAYMENTS

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I would like to ask a question of the Minister of Labour, notice of which I hope he has received. In view of the reported difficulty in securing unemployment insurance payments which is being experienced by many of the 500 miners laid off at Bell island before Christmas, can the minister assure the house that an immediate investigation will be made into this situation and all possible assistance given to those in need?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, after I received the hon. member's question at noon today I asked the unemployment insurance commission to investigate the complaint and, if the situation is as stated, to correct it as soon as possible.

CHEESE

REGULATIONS APPLYING TO IMPORTATIONS FROM NEW ZEALAND

On the orders of the day:

Mr. G. K. Fraser (Peterborough): Mr. Speaker, on January 26 I asked the parliamentary assistant to the Minister of Agriculture (Mr. McCubbin) a question in regard to the effects of the importation of cheese. At that time I asked if cheese imported into Canada was subject to the same regulations as cheese for home consumption, and I was promised an answer. I wonder if the minister can give that answer now.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I am sorry but my assistant has been in hospital since the day that question was asked, but I shall look into the matter.

Mr. Fraser (Peterborough): Thank you.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, February 1, consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Rowe, and the amendment to the amendment of Mr. Coldwell.

Hon. W. Earl Rowe (Acting Leader of the Opposition): Mr. Speaker, when the house rose last night, after I had been given the privilege of speaking for a few minutes, I was dealing with the uncertainty created in different branches of our primary and secondary industries throughout Canada by the unsound and unfair tax and tariff policies of the present government.

In fact, I do not know whether that is a proper description because I think earlier in my remarks I said they had no fixed policy in either regard. However, that adds to the uncertainty which no one doubts, who has an interest in the basic industries of this country.

It is not my intention to speak at any length today because the government seems to be in a hurry—the first hurry I have seen them in for a long time—and wish to get to the vote. I know they are anxious to get at least one vote over. In fact, I believe I observe that they would rather vote than listen to me.

There is no doubt that there are some very important matters deeply concerning the people of this country at this time. It seems to me that when a person does not know where he is going he usually asks directions from someone. Since this government has shown such a lack of direction in policy I have often wondered—

An hon. Member: —why they did not ask you a long time ago.

Mr. Rowe: If they had listened to my suggestions we might be in a better position now.

An hon. Member: You might have volunteered.

Mr. Rowe: Evidently, in view of their lack of action. It seems to me that in trade matters the government has just been blind-flying. But, as I mentioned, if a person is doubtful of his way he usually asks someone the direction, and I wondered whom the Minister of Agriculture (Mr. Gardiner) or his twin commercial traveller, the Minister of Trade and Commerce (Mr. Howe), asked in our great agricultural industry before he reduced the tariff under New Zealand and Australian treaties from seven cents to one cent per pound on New Zealand cheese. I wonder whom he asked before he reduced the tariff of 35 per cent on meat to a tariff of half a cent on mutton and lamb, or allowed free entry from 35 per cent on canned pork, canned beef, canned poultry, and other meats not otherwise provided for.

Mr. Gardiner: May I ask whether the hon. member is referring to the duty against New Zealand and Australia or the duty against the United States?

Mr. Rowe: The general tariff duty is what I am now referring to. I am not trying to give the Minister of Agriculture a lesson on tariffs. I only want to tell him that there is not a farmer or farmer's representative within the sound of my voice that does not shudder to think of what it will do to the agricultural industry of this dominion.

Mr. Gardiner: If my hon. friend does not understand, I might point out that the duty on lamb coming from Australia and New Zealand is half a cent per pound, and the duty on lamb coming from the United States is 7½ per cent.

Mr. Rowe: I knew that and I am glad I obtained some information from the government. I do not know that the way tariffs have been juggled is in the interests of the farmers. For instance, can anyone in this house advise me whom it is going to help or how many consumers it is going to help? The Minister of Agriculture (Mr. Gardiner) in western Canada the other day stated that he did not believe that these friends of the government who are handling 2½ million pounds of New Zealand cheese would lower the price of New Zealand cheese, that he thought they would keep it up, even though that very morning the same New Zealand producers were selling cheese in Britain for 10 cents a pound less than we were trying to get for our cheese in Canada. The price of 18½ cents and 19·1 cents was quoted as the price in London, England, for the very same grade of cheese, from the very same country.

The Minister of Agriculture out west stated that the farmers need not worry too much or that the dairymen need not worry too much because there is only 2½ million pounds coming in and he did not think they would lower the price. If they are not going to lower the price, it will not help any consumers; and if you are going to put 2½ million pounds or 2¼ million pounds of cheese on the market that now has more cheese to sell than they have ever had before—

Mr. Gardiner: That is not correct.

Mr. Rowe: They are your own figures. You said there were 41 million pounds; there are 10 million pounds in the province of Ontario alone and we know that the cheese producers in Ontario—not your government but the cheese producers of Ontario—have put up $1 million of their own money to try to get rid of the surplus they now have. So you are not helping them very much. Judging by their remarks recently, I do not think they are very happy about your throwing 2½ million more pounds on their market. You do not help the consumer. You do not help the cheese producer. Whom do you help? The single company that is handling it.

An hon. Member: That is right.

Mr. Rowe: By 2½ million pounds.

Mr. Gardiner: To answer that, Mr. Speaker, may I say that it was not any company here that asked for the cheese to come into Canada. It was New Zealand.

Some hon. Members: Oh, oh.

Mr. Rowe: Mr. Speaker, that is a very bright remark.

Mr. Gardiner: It is a bright remark.

Mr. Rowe: Yes; it is brighter than some you have made but still it is not very bright. But, Mr. Speaker, we know that the dairymen of Ontario did not ask you to do that. That is why I mention the point that when you do not know where you are going, why do you not ask somebody? Did the dairymen or the cheese producers ask you to do this?

Mr. Gardiner: It was not Americans who asked us who want to ship cheese into the United States. We asked them for the right. We raised objection to the United States trying to keep it out and it was the New Zealanders who asked us for the right to send this cheese in here. If we had taken the same position with regard to them as the Americans are accused of taking with regard to us, they would have made the same criticism of our actions as we make of the Americans.

Mr. Rowe: Mr. Speaker, that is another interruption but it still does not add much in the way of light, especially in view of the fact that the Minister of Trade and Commerce (Mr. Howe) said they did not need to give them that right because he said they could send it in under the ordinary practice.

Mr. Gardiner: No ordinary duties kept it out, but we ask them to keep out cheese.

Mr. Howe (Port Arthur): Since my name has been brought into the discussion, Mr. Speaker, perhaps I might make a statement. The duty on cheese was the duty fixed under the British Empire preferential trade agreement in the period when the Conservative party was in power. That has never been changed since. Any suspension of shipments was due to requests from us to New Zealand to help us over an emergency. The reasons that created the emergency had passed and we reverted to the tariff imposed by the Bennett government in 1932.

Mr. Rowe: Mr. Speaker, the Minister of Trade and Commerce had better get his own customs indexes and books out and get them corrected because that is not the case with reference to the articles to which I have referred—mutton, lamb and meat products.

Mr. Howe (Port Arthur): You were talking about cheese.

Mr. Rowe: Mr. Speaker, the whole picture is an example of the uncertainty of the fiscal policy or an example of the lack of fiscal policy of this government.

Mr. Howe (Port Arthur): You are dodging the question.

Mr. Rowe: That is why today we are left in this position, where the dairymen have just as much uncertainty as ever as to where they are going next year in production, or whether they should get rid of their milk cows and export them to the United States or some place else, in many cases. As the minister said the other day, the only hope he could give, so far as surpluses were concerned, is that the grass might be shorter next year than it was this year. In other words, if we have a big crop of grass, and if the grass grows strong next summer, we might have surpluses again. Our wheat situation is more or less in the same position. If the weather is good and if we have a bumper crop of wheat, the government has not offered any new policy with regard to what they are going to do with it. Not only should consideration be given to the agricultural industry—and I think it is an important one. I think the Minister of Agriculture should take into account the fact that Australia and New Zealand have the cheapest production of livestock products of almost any country in the world. The fact that they have 167 million sheep—just about 80 times as many as we have in Canada—gives one some idea as to what a threat that can be to the livestock industry in this country; the fact that on your minister's own statement yesterday we have now imported, in just the year past, at least three times as much cheese as we did the year before from New Zealand and Australia.

Mr. Gardiner: Three times as much lamb.

Mr. Rowe: Three times as much lamb; that is right. Yet the minister thought it was not going to make much difference to the farmers who produce lamb. The farmers who had lamb to sell last week noticed that the price went down about 20 per cent of the total price, while the minister and I were talking about it here in parliament.

Mr. Gardiner: It was 22 cents yesterday and today.

Mr. Rowe: It was 19 cents yesterday morning and there is still more coming. We cannot find out how much is coming but the report is that there is a large shipment coming.

I think the uncertainty as to a fiscal policy has done little to encourage agricultural production or to encourage employment. The proposals which have recently been made do little to help the gold industry of this country, which is another basic industry. Employment generally throughout this country has not

been improved by the importation either of cheaply produced agricultural or industrial products.

If I have done nothing else, I hope that I have intimated that our party stands for the development of our own resources here in our own country. I know that we shall hear out on the hustings the rumblings from those who still cling to the old free trade doctrine that that policy means high tariffs. I know we shall hear these people, for the purpose of convenience, saying that we are against the export of raw products. Let me say this, Mr. Speaker. Any child in school who knows anything at all about the history of this dominion knows that we have large quantities of raw products such as iron ore, forest products, minerals and other resources that we must sell to the world. We all know very well that there are many articles we should buy.

I am not going to repeat what I said last evening about the uncertainty of tariffs that are kept in effect by the fiscal policy of this government. The record shows exactly where they stand. We have unnecessary tariffs against products that we do not produce in Canada at all. I would therefore hope that some of my free-trade friends some day, in the quiet of one of their caucuses, would urge upon their government—if they are so greatly concerned about the consumer—to take some of the tariffs off the articles that the consumers want to buy but that we do not produce in Canada at all rather than urge them to take off tariffs or lower duties in order to encourage the importation into Canada of products that we are trying to sell and whose production is giving employment. It is just as plain and as simple as if one said that you have a tariff against what you want and you have freedom to import foreign employment and leave unemployment in this country. I think it is just about as simple as that.

No matter how this government argues, they have not changed this situation. No matter how much they argue that their trade policy is so broad and free that nobody should even state it or no matter how they argue that they are the farmers' friends, we know that, so far as the dairy industry is concerned, never before in the history of this country have we had such a large importation of substitutes for dairy products. Never before have we had as large a surplus of dairy products as we had at the beginning of this year. These facts stand clearly before the dairymen of this country.

I know what the government believes. They have said they do not believe we are going to have any more importations; they hope not. Perhaps there will not be any for a while, but we do not know whether or not there is a boatload or a carload of lamb coming in now. I have asked the government if they would not give consideration to holding those lamb shipments off the market until the months when it would affect our market the least. I hope they will take that into consideration.

I realize that today the government is trying to broaden the markets for our products. But when we find our unfavourable trade balance increasing, when we find that our favourable trade balance of a couple of years ago has disappeared, when we see what is happening to these basic industries, then I believe we might be pardoned for drawing the attention of the government to these factors. We should not be labelled as apostles of gloom if we do not pat this government on the back every time we speak.

I am not an alarmist, Mr. Speaker, but I am quite concerned when I think about what is happening under these policies. If our economy were not supported by the defence program which demands so much production for destruction rather than production for distribution, I wonder what would happen. This government has been fortunate in that regard in so far as trade is concerned. It is true they have been faced with many problems, and I am in full agreement with the government's attitude today, as has been so well expressed by the hon. member for Prince Albert (Mr. Diefenbaker) when he said that we do not contribute anything by discussing certain matters at this critical moment.

It does often bother me, however, when after appeals have been made to the government to cut down some expenditures to ease the burden on industries and taxpayers generally, I see increases in civil expenditures. Then the government almost frightens us with talk about the terrible destruction with which we may be faced. We all share a common concern about that. Never have we in this house faced more critical days than we are facing now. In spite of that, we see that the largest reduction in expenditures lies in the area of defence expenditures. We have never at any time criticized defence expenditures as a general principle; in fact we have encouraged them. We have been in full agreement with the government about the necessity of being ready. It does seem strange that economy should be practised in our defence expenditures at a time when the situation is growing more tense and more

critical, while extravagance continues in civil expenditure which we have all been pleading with the government to reduce.

This great big government is today the silent partner of every enterprise in Canada. They take the first bite out of every bit of our people's profit; they take about 50 per cent of practically everything a corporation makes. They take a large percentage of every hour's endeavour in Canada. I believe it is highly desirable that they try to prepare for peace as well as build for war. In the meantime, if conditions continue as serious as they are, we must economize in our civil expenditures; economize everywhere we can, in order that we may have money to spend for our very survival. If we do not have to face that awful day, and we all pray that we will not have to do that, if we can avoid the heavy expenditure involved in a period of war, then we are going to have to have sound fiscal policies, sound taxation policies as well as free enterprise, so that the people will be prepared to take the risk and build for peace and a higher standard of living. At that time we hope we can get back to normal, producing things for a good standard of living rather than implements of destruction.

I thank you, Mr. Speaker, and I hope that I have not been unfair to the government because I realize they have heavy responsibilities and I notice they are growing more weary as the time passes.

The house divided on the amendment to the amendment (Mr. Coldwell) which was negatived on the following division:

YEAS

Messrs:

Argue
Barnett
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Castleden
Coldwell
Ellis
Herridge
Johnson (Kindersley)
Jones
Knight
Knowles
MacInnis
McCullough (Moose Mountain)
Nicholson
Noseworthy
Regier
Stewart (Winnipeg North)
Thatcher
Winch
Zaplitny—23.

NAYS

Messrs:

Aitken, Miss
Anderson
Applewhaite
Arsenault
Ashbourne
Balcer
Balcom
Batten
Beaudry
Bell
Bennett (Grey North)
Blackmore
Blair
Blanchette
Boisvert
Bonnier
Boucher (Chateauguay-Huntingdon-Laprairie)
Boucher (Restigouche-Madawaska)
Bourget
Bourque
Breton
Brisson
Brooks
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardiff
Cardin
Caron
Carrick
Casselman
Cauchon
Cavers
Charlton
Churchill
Cloutier
Crestohl
Croll
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Diefenbaker
Dinsdale
Dufresne
Dumas
Dupuis
Enfield
Eudes
Eyre
Fairclough, Mrs.
Fairey
Fleming
Fontaine
Forgie
Fraser (Peterborough)
Fraser (St. John's East)
Fulton
Gagnon
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gingras
Gingues
Girard
Goode
Gour (Russell)
Green
Gregg
Habel
Hahn
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hanna
Hansell
Hardie
Harkness
Harrison
Healy
Hees
Hellyer
Henderson
Henry
Hodgson
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Howe (Wellington-Huron)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Verdun)
Lefrançois
Legare
Lennard
Lesage
Lusby
Macdonnell
MacDougall
MacEachen
MacKenzie
MacLean
MacNaught
McBain
McCann
McCulloch (Pictou)
McDonald
McGregor
McIlraith
McIvor
McLeod
McMillan
McWilliam
Maltais
Mang
Marler
Martin
Masse
Matheson
Meunier
Michener
Mitchell (London)
Mitchell (Sudbury)
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nickle
Nowlan
Pallett
Patterson
Pearkes
Perron
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud

Robinson (Bruce)	Thibault
Robinson (Simcoe East)	Thomas
Rochefort	Trainor
Rouleau	Tucker
Rowe	Tustin
Schneider	Viau
Shaw	Weaver
Shipley, Mrs.	Weir
Simmons	Weselak
Small	White (Hastings-
Smith	Frontenac)
Stanton	White (Middlesex East)
Starr	White (Waterloo South)
Stick	Winters
Stuart (Charlotte)	Wylie
Studer	Yuill—204.

Mr. F. G. J. Hahn (New Westminster): I fully realize that brevity is the soul of wit, Mr. Speaker. I am therefore very happy to say that I too shall try to be brief. I do not wish at this time to take up too much of the time of hon. members. However, I have one or two remarks that I think are of some importance. I certainly heard one observation the other day that was news to me, and that is that there is some timidity in the Liberal party. I found that in my good friend, the hon. member for Qu'Appelle (Mr. Mang), when he said that he was of a timid nature.

The other day the hon. member for Royal (Mr. Brooks) told us he was going to make some remarks which might make him unpopular, and then he went on to say something about the premier of British Columbia, who it appears was a pupil of the hon. member. I do not know why that should prove to be particularly unpopular with the people of British Columbia, because certainly the hon. member was an apt instructor. He was able to teach the premier that progress comes to those who search for a way to improve static or retrograde conditions. The premier of British Columbia took advantage of such excellent instruction and drifted away from that static or retrograde condition.

The hon. member for St. Mary (Mr. Dupuis) has indicated that while he may know a great deal about the province of Quebec, apparently he knows very little about the provinces of Alberta and British Columbia. In order that the hon. member may learn more about these provinces I am going to send him a blue pamphlet published by the Social Credit League of Alberta entitled "Do you know?". This tells about Alberta. Also a publication entitled "Two Years of Progress by Social Credit in British Columbia". I am sure these will prove most enlightening to the hon. member and his colleagues if they will just take the time to study them. I notice the hon. member is not in his place, so I shall send these to his office.

I would be remiss in my duty if I did not congratulate the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne. They did an excellent and commendable job, and deserve to be congratulated.

I have other congratulations to offer. I want to congratulate the government upon the announcement which was made by Senator Reid that the breakwater at White Rock would be extended. You may be sure that announcement was enthusiastically received by the people of my area. I have another item here upon which I want to congratulate the government. The article dealing with this is short and I should like to read it, as I think it will prove interesting to some people. This article appeared in the *British Columbian* of December 7 and reads:

Tenders in January on Federal Building

Tenders for New Westminster's big new federal building-post office will be called in January, Bill Mott, former Liberal MP, told the *Columbian* today.

The bids originally were to be called this month, but Mr. Mott said he was advised by R. O. Campney, minister of defence, that steel work plans, being drawn in Vancouver, have been delayed for a month.

I want to congratulate the government upon making that formal announcement, and more particularly for seeing to it that this was done with such expedition. Then there is another item about which I should like to congratulate the government, having to do with a mail carrier service at North Surrey. In this connection I want to say that I place no blame on any minister, on any member of the civil service or anyone else; I blame only those parties who are, let us say, embroiled in making this announcement. This particular announcement appeared in the *British Columbian* of December 8 and reads:

Carrier Delivery for North Surrey Okayed

Federal post office officials in Ottawa have approved carrier delivery service for 2,918 homes and businesses in the North Surrey area.

Former member of parliament Bill Mott said today he learned through the Hon. Ralph Campney of the approval.

We are only too happy to have such approval given to this and other projects. The government should be commended for seeing to it that these things are done, and I might say well done under the circumstances. I should like also to congratulate the Minister of Public Works (Mr. Winters) upon the opening of the Cloverdale post office this year. This new post office is a credit to the community, and everyone is most appreciative. I might say that the senator opened it, and it was an auspicious opening. I thank the Minister of Public Works for asking me to attend, and I might add that I was there.

But the people of my area would be much happier if certain other things were done, apart from those covered by these particular announcements. I think I could lay down an

11-point program which would make everybody in the community fairly happy. My first item concerns agriculture. The Minister of Agriculture (Mr. Gardiner) is aware of the representations he has received. If he were to reinstate the feed allowances as they were previous to yesterday he would make a lot of farmers in my community very happy.

The Minister of Justice (Mr. Garson) would make us very happy if he would announce that the government was going to move the penitentiary away from New Westminster. The Minister of Fisheries (Mr. Sinclair) would make many fishermen happy if he would only announce that fishing would continue as it was previously above the Pattullo bridge in New Westminster. The Minister of National Health and Welfare (Mr. Martin) could make the old age pensioners of British Columbia, as well as the provincial government, very happy by announcing that this government would assume a greater share of the expense of caring for our aged citizens.

The Minister of Public Works could help the thousands of people who are trying to add to their homes by revising the housing legislation so it would be possible for them to get assistance. The Minister of Public Works could make me doubly happy by inaugurating a new system of dredging in my area. The Minister of National Defence (Mr. Campney) could make me particularly happy by arranging to erect a new armoury building in New Westminster. The present building is a ramshackle affair and everybody in the city would be very happy to have a new building.

The Minister of Defence Production (Mr. Howe) could make the people in British Columbia very happy by announcing that this government would spend many more dollars in contracts in British Columbia than they are spending at the present time. The Minister of Northern Affairs and National Resources (Mr. Lesage) could make us happy by adopting the suggestion I made last year that a national park or national monument be created in the region in and around Point Roberts. The Minister of Transport (Mr. Marler) knows of the representations which have been made by myself and the airport officials at Langley and he could make us happy by carrying through the suggestions they make.

I shall be magnanimous. I think the important thing is to have things done. I believe that is necessary if Canada is to progress. I do not care who makes the announcements. I would even be quite happy if the announcement that these things were being done was made by the hon. member for Kamloops (Mr. Fulton).

An hon. Member: Make it Kootenay East.

Mr. Hahn: That is right. I have some fault to find with the government; it is not all good. One fault I have to find is the government's policy toward provincial governments. A dominion-provincial conference is long past due. It should be realized that members of parliament are elected to manage national and international affairs, but it should not be forgotten that the people in the provinces elect the provincial governments as their representatives. They feel, and rightly so, that the provincial government should be held responsible to them, as the Liberal government has been held responsible to the people of all Canada in respect to dominion administration. They are answerable for their deeds in the same manner that we are. If British Columbia or Quebec, or any other province in Canada, passes legislation with which possibly we do not agree, then perhaps the reason is that it is just a bad egg from an old Liberal batch. There is only one way of curing it and I believe that is through a dominion-provincial conference.

An hon. Member: In a hotel room?

Mr. Hahn: The second fault I have to find with the government is not novel, I am sure, because it has to do with the question of high taxation. The Conservatives have told us taxes are too high. The socialists have told us the same. The Social Credit members and independents also claim they are too high. Even the Minister of Finance (Mr. Harris) has said they are too high and, if it will help any, I shall say also that they are too high. That pretty well makes us unanimous.

But the question is, "What makes them too high?" There are probably two particular reasons. One is that we are a social welfare state to a degree, and the other is defence expenditure. I cannot devote too much time to this question, but in the matter of the social welfare state I would say I do not believe there are many hon. members in this house who are opposed to the social welfare legislation now on the statute books. I think I am right in saying that most of our social welfare legislation was born of the depression years or during a period of conflict. In view of that fact I believe it is time we stopped and assessed the situation.

The Minister of National Health and Welfare has indicated on more than one

occasion that he would be only too happy to assist the aged and others in need if he could only find the ways and means. It is evidently agreed, then, that they need this assistance and the government is prepared to supply it but does not know exactly how it can be done. I would suggest it is time that a committee or some other such organization were set up to determine the means whereby we can correct our existing legislation so as to make it possible to assist those who are in need of help. Each party has different ideas in this regard, and it might be well to take that factor into consideration. It is not a case of being indifferent to the need for this legislation, but there may be a considerable difference of views among hon. members as to the amount required and the means of implementation.

One might take for example the discrepancy now existing, whereby we have wealthy people of 70 years of age and over who are receiving $40 per month, while at the same time we have those younger people who are very poor indeed and are not receiving the required assistance. Some of them are even denied the right to work. Our own civil service regulations do not permit some of them to take on particular types of jobs. In fact the only thing they can get is the air. That is pretty cheap, but there was a time when we had to pay for it, and I am referring to the old radio licence.

But seriously, Mr. Speaker, it is highly important to this nation that we see to it that there is no one in want, whether he be aged, blind, crippled, or in any other position that makes it impossible for him to live in the manner in which he is entitled to live. In saying that I do not mean that an individual should become a charge on the state. He should rather be one who has the privilege of doing something if he so wishes and thereby supplement his allowance if he is in need. However, that is just a thought as to a method of modification.

I believe the people who do most for the economy of this country are those who spend everything they earn. If we have senior citizens in this country or disabled or blind and they need more money in order to live, and through government assistance receive that money, they will do more for the economy of this country than any half dozen wealthy men who do not spend their money, because these people spend every penny they can earn and it is put back into circulation so that it becomes part of the bloodstream of the state.

I would therefore consider that it is most important for us as a parliament to urge this government to meet these needs if it is at all possible, and in this regard I would again emphasize that it is time to reassess our social welfare legislation. I shall probably have more to say on these particular items as they come up in the estimates later.

I have quite deliberately neglected to include war veterans allowances in this group, largely because I was pleased to note that the question is dealt with in the speech from the throne. I hope the impending legislation in this regard will meet the requests made by the veterans last year when they submitted their brief with respect to the amount of the allowance and the permissible ceiling. In this regard I wish to congratulate the hon. members for Vancouver-Burrard (Mr. MacDougall) and Hastings-Frontenac (Mr. White) for joining me this year in putting on the order paper a resolution similar to the one I submitted last year, asking for consideration of this matter. The reason I congratulate both these hon. members is that their action indicates there is some uniformity of view among hon. members in this house, and that many of us are anxious to see that the war veterans receive the consideration which is their due.

Before dealing with the question of fisheries I would like to congratulate the government for including the removal of Ripple Rock in the speech from the throne. This has caused us many worries in the past in British Columbia, and it has been of particular concern to the wives of fishermen and others employed on boats.

I would particularly draw to the attention of the Minister of Fisheries the remarks of the hon. member for Fraser Valley (Mr. Patterson). Speaking earlier in this debate the hon. member asked for an extension of fishing rights above the Pattullo bridge. I recall that last year the minister changed his ideas to a degree, and I was quite enthusiastic. However, the change was not sufficient. I applauded his action last year, and I would be very happy to continue that applause if he would only see fit to increase the period of time during which fishermen can fish above the Pattullo bridge.

In that regard, much has been said about the quality of the fish and the need for conservation. In this connection I should like to read some evidence taken from the Sloan report of 1940, pages 110 and 111, as given by Charles Lisson Smith, who was the production manager of Edmunds and Walker. I know the report is a few years old, but at the same time the fish are the same fish; they use the same river; the bridge is the same bridge, and I think the same situation

holds good today. At least the fishermen are convinced that it does. I read from the report:

Q. Will you repeat again what you were telling us as to what is the business of the company?
A. We buy all British Columbia fish for the purpose of freezing, selling fish, and curing.
Q. In that connection what variety of salmon do you buy?
A. Spring salmon mostly.
Q. And from whom are these purchases made?
A. From anyone offering; for instance in the river, we take them from any fisherman bringing them in, but mostly it is from collectors who buy the fish and resell to us.
Q. Do you buy gillnet caught fish?
A. Yes.
Q. And purse seine caught fish?
A. Not very much.
Q. Will you tell us why?

I want you to note this answer particularly.

A. Purse seine fish are not very suitable for our business.
Q. You are speaking only of spring salmon, aren't you?
A. Yes.
Q. Tell us why they are not very suitable?
A. They seem to be damaged in the process of fishing or in the collecting. In any case before they reach us they are of inferior quality to either the trolled or gillnetted fish.
Q. Damaged in what way? Can you give us that more particularly?
A. Presumably in the brailing.
Q. In what way is this damage apparent?
A. The fish are smashed, the scales are off and they are bruised, broken.
Q. And does that render the fish of an inferior quality or grade for the particular purpose you require these fish?
A. Most certainly.
Q. In what way does it affect them?
A. No one will buy a battered up fish if you want to sell them fresh. If you want to spend money and put them in cold storage or dress and process them in the way of curing, why naturally no one will take on an article that is all broken and battered; it is not a fine fish any more.
Q. Do you find the same condition where you purchase from the gillnet fishermen?
A. Sometimes, but not so much so. Up river the fishermen have been educated that way for some considerable time, at least the fishermen selling to us. We get a very good quality from the gillnetters up the river.
Q. Up the river from where?
A. From New Westminster bridge.

That is the Pattullo bridge. It indicates that the quality of fish is just as good as that of any that are caught by the seine vessels, or more so. In respect of conservation I would quote Major James A. Motherwell, chief supervisor of fisheries in British Columbia under the federal government from 1921 until at least 1940. At page 105 they were speaking about competition and he was asked this question:

Q. Is it—

"It" meaning competition.

—controlled from an economic standpoint or from a conservation standpoint?
A. Conservation is not affected because we can control any kind of fishing.

[Mr. Hahn.]

There we have a case not of quality but a case of conservation. We have the same fishermen, the same people, who are quite capable of looking after the fishing industry. The fishermen themselves can do the conserving. They are just as co-operative as they were at that time. Undoubtedly the only regulation that needs to be changed is to have the conservation of fish controlled in a progressive manner from the gulf right on up the Fraser past the Pattullo bridge and on into Mission and the area where they do their spawning.

From my studies I find that the prosperity of a nation can be traced to its basic industry; or I might put it this way. The prosperity of a nation is directly proportionate to the prosperity of the basic industry. Our prosperity therefore comes from our hinterland. This applies federally, provincially and, to a lesser degree, locally. When the returns from production do not equal the cost of consumption, then our enterprise begins to fail.

In this respect I find that the dairymen and poultrymen have long known their stock, and that it produces properly only when it consumes properly. They realize that in order to have a cow give sufficient milk, or as much as they think it should give, they must first feed that cow well. In other words it is what the cow consumes that makes the milk. The same thing applies to poultry or any other product.

Today we see certain signs of breakdown of this economy. We have the poultrymen, the dairy producers, the grain growers, the stock raisers, the potato growers, the fishermen and others who complain and have complained, not just this year but last year as well, of the conditions with which they are confronted. For instance, the price of eggs was discussed in this house. We were told that the price is too low, that we should have a higher floor price under them.

One of the causes behind this situation is the price of feed. As I mentioned earlier, the Minister of Agriculture could make us happier at the coast if he were to raise the contribution in respect of feed rates and give us back the $5 he deducted, and make it possible for poultrymen to buy their feed at a lower cost. Another question in respect of eggs is the price spread between the A quality and the B quality. That matter was also mentioned.

Then as to the turkey raisers, I had the privilege of indicating to this house last year that there was a problem. At that time some people in the business called it dumping. It was not dumping in the true sense of the

word because United States birds were selling for the same price in the United States as they were selling in Canada. However, the difference was this. The United States poultry raiser was the owner of a large feed plant and he was interested only in getting the price of his feed out of these birds, with the result that he made no profit on them. That put the Canadian producer in the awkward position of trying to compete with him.

As to the economic policy of this government—if there is such a thing as a policy in respect of some of these things, of which I am rather doubtful—let me say this. There has been much talk about butter and cheese and so on. It is a matter of argument as to whether or not there is a policy in respect of agriculture that is not just as loose as the minister's talk, when he says from time to time, "I did not mean that; I meant something else".

That is the essence of the whole thing. The only result of the increase in the price of feed is that the cost of production goes up, and with that increased cost of production we have, of necessity, an increase in the price to the ultimate consumer, whether it is eggs or whatever it may be. As to the wheat producers, they have their difficulties just as have the butter and cheese producers.

Therefore when you come to consider agriculture, what is the policy? Is the policy going to be that the government will pay for butter until it has a certain accumulation, then give it to hospitals? Is this to be a continuing policy? We should know these things. Certainly the merchants in this country are entitled to know something with regard to what they may expect.

The grain grower certainly has real cause for complaint. Here we have 19·5 per cent of the population receiving about 9 per cent of Canada's income. It is not enough that he is the backbone of the country but of necessity, because of our trade policy, he must be dependent only on the export market. This is true to a degree, but there is a domestic market over which we can have a certain measure of control. Because of this method of handling these things, he runs into difficulties. The same conditions apply to the hog producers. I know the Minister of Agriculture has received a telegram similar to the one I received concerning the effect of the feed situation on the hog raising business.

We all heard the excellent speeches by the hon. members for Queens (Mr. MacLean), and Victoria-Carleton (Mr. Montgomery) with regard to the potato growers. The same question was discussed last year in this house. I do not believe the solution lies so much in a tariff as in a change in the implementation of these regulations. It may be a matter that could be presented through our Minister of Finance. I would not be so ready to agree that we should increase the tariff. I am opposed to that in principle. I would rather see our tariff dates made more flexible, so they might come into operation at a time when they would be of much more assistance.

I realize that my time is getting short. I realize, as well, that the financial and economic policies of this government today are the same as they were when our good friend Adolf Schicklgruber, or Adolf Hitler as he was called, took us out of the last depression. I would, therefore, move, seconded by the hon. member for Bow River (Mr. Johnston), that the amendment be amended by adding thereto the following:

> We further regret that Your Excellency's advisers have failed to take or to recommend the necessary fundamental economic and financial measures to place Canadian producers and workers on a sound and prosperous basis, and to ensure our economy against recurring recessions.

(Translation):

Mr. Raoul Poulin (Beauce): Mr. Speaker, I should like to say a few words on a subject which is of special interest to the rural constituencies of eastern Canada and that of Beauce in particular, that is, the support price of butter. Every local of the Catholic farmers union—of which, I am glad to say, there is one in each parish of the constituency I represent—has expressed its views to the government on this problem, which is of great importance to these people.

Indeed, the dairy industry, being the main source of revenue for eastern farmers, constitutes the very basis of their economy. They may possibly—I am speaking here of the farmers of my own constituency—accept some lowering of the price of eggs, for instance, or beef or pork. Only a very few would be seriously affected by anything of this kind. However, at least in my constituency, I know very few who could withstand the shock of a sudden and prolonged drop in the price of butter.

The right hon. Minister of Agriculture (Mr. Gardiner) stated in this house on January 14, 1955, as reported on page 186 of *Hansard*, that the present support price for butter will be continued until May 1 and that he was not in the habit of making decisions for a more distant future. This is no doubt an excellent reply as far as the right hon. minister is concerned, but it is somewhat disturbing for the farmers.

Some day soon the minister will have to make a decision, and it is precisely in an attempt to influence that decision, if possible, that I wish to state now the point of view of the farmers.

This year, there is a further reason to maintain a fair price for dairy products, in addition to reasons that already existed. Because last season was very wet, the hay and grain garnered last fall are of very poor quality, and the health of the livestock will be affected. Pastures will also be in poor condition this year, since the grazing on very wet ground has injured the grass roots. For these two reasons, which spring from the same cause, the yield from dairy herds will be much smaller next season. At least that is the opinion of reliable experts whom I had the advantage to consult these last few weeks. But that is not all. Farmers in my part of the country—or at least a great number of them —usually prepare their dairy cattle feed from their own grain. This year, they will not be able to do it because, as I say, the quality and the quantity of that grain will be inadequate. So, in order to get a reasonable yield, they will have to buy that feed, but its price is prohibitive at the present time, especially if we consider that the general farm income started to decline in 1953 and that this decline was still more pronounced in 1954.

Moreover, and also for the same reason, that is bad weather, all sorts of grain usually produced, to some extent for their own seeding, by the farmers of my district will not be of any use this year, they will have to buy it elsewhere. Now, the federated co-operatives of Quebec announced about a month ago the probable prices to be paid for this grain, which represent a very considerable increase, amounting to 100, and in certain cases even 150 per cent, even when compared to last year.

In order to cope with that contingency, the farmer must count on a reasonable and assured revenue.

Indeed, the present butter surplus, which seems to worry certain people, is not so large after all, for the very reason I have given just now, namely that owing to the very probable decrease in production during 1955, this surplus will, as could be said most appropriately, melt like butter in the pan.

And this difficult situation in the dairy industry—a situation which, I admit, must embarrass the government—might give us a good opportunity to examine our conscience, and review briefly the situation as to the margarine problem, that famous substitute to which the Department of National Health and Welfare devotes full pages of advertisement in their publications, though they are unable to say whether its food value is higher or lower than that of butter itself, or equal to it.

Some might think that the working people of our cities and towns are entitled to a low-priced product. I hope it won't be necessary for me to repeat here the argument that in order to supply jobs to our working classes the buying power of our population must be kept at a reasonably high level. And I don't know a more efficient way of lowering the buying power in general than to tolerate a drop in the price level of our farm products and, especially, of the dairy products and by-products of eastern Canada, and even, as a matter of fact, the price level of wheat in western Canada. That is an old familiar story which once more proved to be true, as late as 1953 or 1954.

Last year I congratulated the government for setting a floor price on butter. I pointed out, among other things, that not only had this policy protected the farmers, but that it had also protected the workers in that, besides maintaining the general level of purchasing power, it had prevented the shameful exploitation to which these people had been subjected throughout the winter of 1951-52. At that time they had to pay 90 cents or even a dollar a pound for butter stored by dealers a few months earlier, which had been bought for as little as 60 cents a pound.

I would fear that, unless the government maintain the 58 cent floor price beyond May 1 next, we shall see a repetition of this scandal. What would the good workers of our cities and towns say next winter if they had to contend not only with an unemployment problem, which shows no signs of abating quickly, but also with a fabulous rise in the cost of butter, or even that of margarine which, in similar circumstances, may well rise in the same way?

I wish to congratulate the government for their intention to offer 20 million pounds of butter to institutions at a price 21 cents lower than the ordinary price. Nevertheless in the statement which the minister made to the house in this connection, on January 28, there is something which rather puzzles me. This

is what the official report has to say, on page 622:

> As has already been stated, the general objective in offering butter at the reduced price is to increase the total quantity of butter used in approved institutions throughout Canada.

The minister does not tell us the reason for wishing to increase butter consumption in these institutions. Could it be that he considers margarine as an unsuitable product? Could it be that, as I believe, butter consumption does not reach a reasonable level, having regard to the production of the same commodity?

In either case, there is a very simple way to reach the objective aimed at by this measure. It would consist in taking the necessary steps to restrict the use of margarine. In this, the government of the province of Quebec has given leadership and that is an example that other provinces and the federal government should follow. According to some experts, the policy of the Quebec government in this matter has led to the consumption of 50 million more pounds of butter than if the use of margarine had been allowed within the boundaries of that province, as is done elsewhere. At any rate, I believe there is no risk for anyone in the government maintaining its present policy of price support for butter.

On another subject, I should now like to tell the house and in particular the hon. Minister of National Health and Welfare (Mr. Martin) of the urgent request made by the great majority of my constituents of Beauce. They urge the government to increase family allowances. Like everyone else, I realize how easy it is to play politics about such a question. So, I shall not indulge in such ways, either in this house or in my constituency. On this question, I must say that I do not share the views of those who claim that we must increase family allowances to meet the unemployment situation. Family allowances were not established as a source of income for the needs of families; they would never be adequate for that. Their purpose is to make up for the inadequate wages of the family head. Consequently, when he gets no wages at all, as is the case in a period of unemployment, they cannot be replaced by family allowances, but rather by the unemployment insurance benefits, or again, which is much better no doubt, by work, whether regular or special.

The fact remains that, even if there were no unemployment, we would still have a very good reason to ask for an increase in the present rates, because, due to the high cost of living, these rates are far from being worth what they were when that excellent social welfare act was passed some ten years ago.

If the principle of the act was good ten years ago, it must still be good today, and if the rates set for its administration met, to a considerable extent, the needs of the times, we have to admit that it is not so today, for the cost of living has gone up quite a bit. Therefore I think it is only fair and reasonable that the government grant the requests of practically the whole population in the county of Beauce.

I wish to discuss briefly a somewhat more delicate problem and to dwell for a few minutes on certain statements made in this house on Wednesday, January 12, by the hon. member for Burnaby-Coquitlam (Mr. Regier).

I do not want to make too much of his speech but I do want to help this good member, and others like him if there are any, to get a better understanding of the province of Quebec. And I am sure that when he knows it better and when he sees it as it is, he will show the people of Quebec more sympathy than he did in his speech.

There are certain parts of that speech which I did not like but I will not dwell on them today. There was however one feature to which I took exception and which I want to take up here. The hon. member said that the Prime Minister of Canada (Mr. St. Laurent) had gone to meet "the master of that other nation". These words appear on page 120 of *Hansard*. He meant by that the people of Quebec and their present leader. As far as the leader is concerned, I do not need to defend him for he usually defends himself pretty well, but I cannot accept, Mr. Speaker, the words "other nation" as applied to the racial group to which I belong.

As Canadians of French origin, we certainly belong to another nation vis-à-vis an American, a German, a Frenchman or an Englishman; but, with regard to another Canadian of English background, I won't admit it. And if my hon. friend insists that we are not of the same nation as he is, I shall have to maintain that he is not a Canadian. I, for my part, have many grounds to claim this title.

My first known ancestor was living in Canada 320 years ago, or, rather, he landed in Quebec in 1636. Since that time, most of his descendants, in unbroken lineage, have not left Canadian soil. I could, without leaving the house, find dozens of similar cases, and I apologize for having mentioned my own. If I do, it is because it is more accurately known to me.

Could, or would the hon. member who claims to belong to another nation than ours, tell us when his forefathers came to Canada? When mine arrived here, Quebec had scarcely been founded, and the district where my hon. friend resides was covered with virgin forest and inhabited by natives. If, today, he has the privilege to live in one of our most beautiful, wealthiest and most promising provinces, he can thank our forebears of French and Catholic origin. For they had enough courage, grit, self-denial and faith in Providence to risk — and sometimes to give — their lives in their adventurous westward quest, to row up or down dangerous rivers in their frail crafts, and boldly roam in the remote and boundless wilderness, forever apprehensive of the treacherous Iroquois, often allying themselves with the natives they subdued by their kindness and their charms, calmly accepting all setbacks and difficulties they met with, while marking their path with countless crosses, symbolic of their feelings and intentions. And my hon. friend would refer to the descendants of this group of pioneers as "another nation"?

Mr. Speaker, I do not want to inveigh against someone who utters such things; I pity him and feel sorry for him for knowing so little about the history of his country!

But, that is not all. This first group of Canadians, who opened up this country to civilization, also prevented its annexation to the United States, and that was the first step towards the independence which all Canadians—including, I do hope, the hon. member —enjoy today.

Another reason why I may rightfully consider myself a member of the Canadian nation is that the group to which I belong played a leading part in the economic, scientific as well as in the cultural and social development of Canada. If my hon. friend, while travelling through Quebec, had tried to see what constitutes an asset for this country, he would have met other people than a small group of socialists, communists or hare-brained people, as are found everywhere, but no more in Quebec than in British Columbia or in any other part of Canada. Such being the case a longer stay would have enabled him to discover that within this group which he calls "another nation" there are good farmers whose land was cleared 220 or even 300 years ago and which never fell into the hands of any other but the lineal descendants of the first occupants. He would also have seen thousands upon thousands of workers who are devoted to work well done and are in no way inferior to the skilled craftsman of other provinces. He would also have seen, built by members of this same group, large industries and businesses which contribute in no mean degree to the prosperity, not only of the province of Quebec but also of Canada as a whole. He would also have seen large hospitals or clinics of which some are unmatched in this country. He could have seen too three large universities, two or three smaller ones and a large number of colléges with an enrolment of 75,000, which annually confer degrees on those who have merited them in all branches of human endeavour.

Among these teaching institutions, he would have noted a great university and several colleges and schools directed by Anglo-Protestants enjoying the greatest freedom to teach according to the principles, beliefs and language of those directing and attending these institutions. He would have been greatly shocked, no doubt, to find out that in this part of the country in which, according to him, lives another nation, the taxpayers are never called upon to pay double tax for a double educational system, but instead choose freely to pay once only for the system they prefer. And his amazement would have reached a peak upon seeing that, moreover, of the money collected in taxes from a population, which is 82 per cent Catholic and French, a good part is turned over to Anglo-Protestant teaching institutions. His amazement would undoubtedly have been complete when he would have found out that the people of Quebec merely consider this a fair and normal situation.

The hon. member should then have been in a position to examine his conscience and ask himself whether the same thing

could not be done at Maillardville, in his own constituency, where Canadians, and I underline that word, Mr. Speaker, where Canadians are compelled to pay a double or triple tax when they want French or catechism taught to their young children. If the hon. member does not know it, he shall have to learn that Canadians of French descent are at home at Maillardville, in Burnaby-Coquitlam, and everywhere in British Columbia, just as Canadians of English origin are at home in the province of Quebec. It is on this condition only, on this essential condition that we may expect to achieve the national unity upon which he delights to expound.

The hon. member has stated that the people of Quebec are deprived or do not benefit in the fields of education and health of services they would like to get. I do not see the need of replying to that. It is quite obvious that we do not have in Quebec everything we would like to have, but the same applies everywhere else. However, I feel at least a little reassured when I find that in the last budget brought down at Quebec for the year 1955-56, $60 million are earmarked for health services, $46.5 million for education and $28 million for social welfare. I think that Quebec, for another year at least, will not need help from the province of British Columbia to settle her problems.

Those are a few of the remarks that came to my mind after the speech delivered by the hon. member for Burnaby-Coquitlam.

In spite of everything, I believe he is a gentleman, a man of good will who wants to increase his knowledge about his own country. Under the circumstances, I hope that my humble remarks will help him to understand better the group of Canadians who were the pioneers in Canada.

(*Text*):

Mr. Maurice Boisvert (Nicolet-Yamaska): Mr. Speaker, it had not been my intention to take part in this debate. However, the hon. member for Vancouver-Kingsway (Mr. MacInnis) having raised a question which is highly important, and I should add vitally important to national unity, I feel I should express my thoughts on the matter. I shall do so objectively, making no attempt to lay blame on any provincial legislature in particular. I think this is hardly the place to stir up resentment against any government which owes its existence to our constitution.

Here is the part of the speech which gives me serious concern. It was made in this house on January 27 by the hon. member, as reported at page 597 of *Hansard*:

> May I tell the hon. member, and any other hon. member who does not know, that under our constitution in British Columbia we have a free, non-sectarian public school system. No questions are asked of a child entering a British Columbia school as to whether he is Jew or Gentile, whether he is Roman Catholic or Protestant, whether he is Baptist or Witness of Jehovah. All that is necesary is that he be a resident of British Columbia and of school age.
>
> Not only is our school system free and non-sectarian, it is also compulsory. If a child is living in an outlying district where no educational facilities are available he gets his education by correspondence. Children living in localities where there are schools must attend them. On occasion we have taken parents into court in British Columbia in order to force them to send their children to school. I have never known of a parent coming to courts in order to get a school to accept his children. This is something for those who would criticize the British Columbia school system to inform themselves about.

The hon. member went on to say:

> If there are people in Maillardville or in any part of British Columbia who do not think the school system is good enough for them, who set up their own schools, then they are the people who are creating minorities; they are the people who are creating double taxation in British Columbia.

From these statements we infer that the school system of British Columbia is non-denominational in character. In other words, it is non-sectarian on the one hand and compulsory on the other. Therefore it takes no account of the race, religion, faith or language of the people. Before going more deeply into the problem which the statement made by the hon. member for Vancouver-Kingsway (Mr. MacInnis) raises for each and every citizen in this country I should like to introduce into this debate other relevant utterances which have been made. On January 12, 1955, as reported on page 120 of *Hansard*, the hon. member for Burnaby-Coquitlam (Mr. Regier) spoke as follows:

> I also spent a fair amount of time in the province of Quebec. This province seems to be the sore spot in the matter of Canadian unity. I was raised in the west. For years the late Mackenzie King told us how he was building national unity, and for years most of us believed him. "Yes, that is the man to build national unity." How is it, Mr. Speaker, if the late Mackenzie King was really and truly building national unity that, after such a long premiership, almost the moment he disappears from the scene we have less national unity than we have had in Canada for ages and ages?

Then on January 17, 1955, as reported at page 274 of *Hansard*, the hon. member for Pontiac-Timiskaming (Mr. Proudfoot) had this to say:

> Why does not the hon. member take time off to compare the rights of minority groups in his province of British Columbia with those in Quebec?

At this time I have in mind a place called Maillardville, British Columbia, and if I am not wrong I think possibly Maillardville is in the constituency of Burnaby-Coquitlam. I would ask him to examine the school laws of his province before he launches an attack on my province, and before he presumes to give advice to the people of Canada.

On January 26, 1955, as reported on page 556 of *Hansard*, the hon. member for Iles-de-la-Madeleine (Mr. Cannon) quoting excerpts from the Vancouver *Province* denounced a statement attributed to the hon. member for Vancouver East (Mr. Winch), who is alleged to have said on September 15, 1954:

Winch hits use of French language in the house.

The article quoted the hon. member as saying:

"I have yet to meet a French-Canadian MP who does not understand or speak English", he explained. "Yet this minority group insists on using French in the house. We have to wait 24 hours for a transcript to find out what they said."

The article continues:

It is their God-given right to use the French tongue but why do they insist on it when they know the majority of the members are English-speaking and can speak it themselves.

Coming back to the statements made by the hon. member for Vancouver-Kingsway, he sought to answer the hon. member for Pontiac-Timiskaming. In so doing he went far beyond the bounds within which the debate should have remained. The statements made by the hon. member for Vancouver-Kingsway, the hon. member for Burnaby-Coquitlam and the hon. member for Vancouver East would seem to be motivated by feelings far removed from what the fathers of confederation had in mind when together they drafted the imperial statute we know as the British North America Act. Whether that statute be a pact or a legislative provision enacted by the United Kingdom of Great Britain, it cannot be argued that it is not in any event the result of a compromise reached with difficulty and a great deal of apprehension at the Charlottetown conference, at the Quebec conference and during the debates in the provincial legislatures in 1865 and in England immediately prior to the adoption of the imperial statute. Here is the preamble of 30-31 Victoria, that is to say the preamble to the British North America Act:

Whereas the provinces of Canada, Nova Scotia, and New Brunswick have expressed their desire to be federally united into one dominion under the crown of the United Kingdom of Great Britain and Ireland, with a constitution similar in principle to that of the United Kingdom:

And whereas such a union would conduce to the welfare of the provinces and promote the interests of the British Empire:

Then the last paragraph reads:

And whereas it is expedient that provision be made for the eventual admission into the union of other parts of British North America:

[Mr. Boisvert.]

There was provision in that act to cover the entry of other parts of the country into confederation. In 1867 British Columbia was not yet a part of the Canadian confederation; it was only in 1871 it became such.

Those who worked toward the elaboration of the British North America Act found that the main stumbling block was the problem of the duality of origin, of language and of religion. For a great many years this proved to be the main obstacle to the expression of their good will. A formula had to be found, and this consisted of joining the three provinces of Canada in a confederation with certain powers being vested in the federal government and certain powers being vested in the provincial legislatures.

Those Canadians who were of French origin were desirous of retaining the rights that had been granted them in the instruments of capitulation, guaranteed by the treaty of Paris, and recognized by subsequent constitutions when Canada was a colony of the United Kingdom of Great Britain. Never from that day have they retreated from this stand and they never will. It seems to be forgotten in some quarters that the King of France by the treaty of Paris of 1763 ceded to His Britannic Majesty all the French possessions he held or claimed to hold in North America. Here is the relevant part of article 4 of that treaty:

His Most Christian Majesty renounces all pretensions which he has heretofore formed or might have formed to Nova Scotia or Acadie in all its parts and guaranties the whole to it, and with all its dependencies, to the King of Great Britain: Moreover, his Most Christian Majesty cedes and guaranties to his said Britannick Majesty, in full right, Canada, with all its dependencies, as well as the Island of Cape Breton and all the other islands and coasts in the gulph and river of St. Lawrence, and, in general, everything that depends on the said countries, lands, islands and coasts, with the sovereignty, property, possession and all rights acquired by treaty or otherwise, which the Most Christian King and the Crown of France have had till now over the said countries, lands, islands, places, coasts and their inhabitants . . . . . His Britannick Majesty on his side, agrees to grant the liberty of the Catholick religion to the inhabitants of Canada: he will in consequence give the most precise and most effectual orders that his new Roman Catholick subjects may profess the worship of their religion according to the rites of the Romish church, as far as the laws of Great Britain permit. His Britannick Majesty further agrees, that the French inhabitants or other who had been subjects of the Most Christian King in Canada, may retire with all safety and freedom whenever they shall think proper, and may sell their estates, provided it be to the subjects of His Britannick Majesty, and bring away their effects as well as their persons without being restrained in their emigration, under any pretence whatsoever, except that of debts or of criminal prosecutions.

According to this treaty, sovereignty over that territory which became the Canadian confederation has been transferred step by step since 1867 from the British crown to the government of Canada. The whole of the Canadian territory, from east to west and from north to south, became the common possession of all Canadians, that is of all those who, by birth or naturalization, are Canadian subjects. In other words they may come and go from one province to another, they may settle in any province, whether they be of French origin, Roman Catholic, of English origin, or Protestant.

This is an inalienable right by virtue of the very constitution under which we live. The boundaries between the provinces are imaginary, and are solely designed to limit to a given territory the jurisdiction granted provincial legislatures in certain matters set out in sections 92 and 93 of the British North America Act. These boundaries are by no means such as to prevent a Canadian citizen from exercising the right he has of settling down, earning his living, and bringing up his family in whatever province he may choose.

To that right of living in any province must be added the natural freedom that parents enjoy with regard to the education they wish to give their children. This natural right implies that they may, if they so wish, bring up their children in their own language and faith, that is the culture, language and faith they have themselves. Obviously every Canadian citizen must conform to the laws of that part of the country in which he lives, in any matter which, under sections 92 and 93 of the Canadian constitution, comes within the jurisdiction of the province. I am however of the opinion that any Canadian of French origin has the right and the duty, in whatever province he may be, to see to it that his children receive an education which subtracts nothing from their soul, unless he so desires. Liberty of choice does exist, and it is quite possible that a citizen may choose another language.

The problem of education in Canada, before the enactment of the British North America Act and ever since, has never ceased to be a really sore point with regard to national unity. Lord Carnarvon, in presenting the British North America bill to the House of Lords in 1867, had this to say with respect to section 93 of the bill:

> Lastly, in the 93rd clause, which contains the exceptional provisions to which I referred Your Lordships will observe some rather complicated arrangements in reference to education. I need hardly say that that great question gives rise to nearly as much earnestness and division of opinion on that as on this side of the Atlantic. This clause has been framed after long and anxious controversy, in which all parties have been represented, and on conditions to which all have given their consent. It is an understanding which, as it only concerns the local interests affected, is not one that parliament would be willing to disturb, even if in the opinion of parliament it were susceptible of amendment, but I am bound to add, as the expression of my own opinion, that the terms of the agreement appear to me to be equitable and judicious. For the object of the clause is to secure to the religious minority of one province the same rights, privileges, and protection which the religious minority of another province may enjoy. The Roman Catholic minority of Upper Canada, the Protestant minority of Lower Canada, and the Roman Catholic minority of the maritime provinces, will thus stand on a footing of entire equality.

With respect to Lower Canada, now the province of Quebec, Lord Carnarvon goes on to say:

> Lower Canada, too, is jealous, as she is deservedly proud, of her ancestral customs and traditions; she is welded to her peculiar institution, and will enter this union only upon the distinct understanding that she retains them.

What is section 93 of the B.N.A.A.? It reads as follows:

> 93. In and for each province the legislature may exclusively make laws in relation to education, subject and according to the following provisions:
>
> (1) Nothing in any such law shall prejudicially affect any right or privilege with respect to denominational schools which any class of persons have by law in the province at the union:
>
> (2) All the powers, privileges, and duties at the union by law conferred and imposed in Upper Canada on the separate schools and school trustees of the Queen's Roman Catholic subjects shall be and the same are hereby extended to the dissentient schools of the Queen's Protestant and Roman Catholic subjects in Quebec.

It must be recognized that it is incumbent upon the provinces, which after 1867 were united under the confederation, to determine the school system which shall prevail. That is a right which could not be challenged, and I have no intention of denying the provinces their constitutional right to adopt the school system they prefer. But I surely have the right to ask the racial majorities in provinces outside Quebec to achieve a compromise in order that Canadians of French descent and of the Roman Catholic creed in any province of Canada may give their children the education which they consider it their duty to give.

Why should it be impossible to find a compromise? Now that Canada has progressed toward greater unity, why not give the minorities the same rights, privileges, and advantages with regard to education of their children, in view of the fact that these minorities are made up of Canadian citizens who, anywhere they elect to live, have the right to bring with them and retain the treasure of their traditions, their religion, the language they cherish, and the culture which constitutes their background.

In the province of Quebec the majority, made up of Canadians of French descent, has

its educational institutions at all levels, as have the minority, made up of Canadians of English descent. The government of the provinces of Quebec gives grants to our colleges and our universities, regardless of the language and religion being taught in these institutions, which serve to educate the children of both the majority and the minority. This year English-speaking McGill University will receive a provincial grant of more than $1 million. No one in the province of Quebec complains about that. On the contrary, everyone is happy in the light of the fact that this situation is based on justice, freedom and natural right.

By finding a solution to the problem of education in Canada we would also settle for good and all the problem of national unity, and Canada would then set an example that other countries would follow. By virtue of the constitution, the majority may have the right to do one thing. Before the common conscience of a young nation, it could exercise this right so as to place all children on an equal footing, without discrimination as to their race, language and religion.

On January 7, 1955, the hon. member for Rosetown-Biggar (Mr. Coldwell) gave notice of motion of the following resolution:

> That, in the opinion of this house, consideration should be given to the taking of whatever steps are necessary to amend the British North America Act so as to include therein the following heading and sections:
>
> "Human Rights
>
> 148. Notwithstanding anything in this act, it shall not be lawful for the parliament of Canada or the legislatures of any of the provinces to make laws:
>
> (a) Abridging freedom of speech and expression, or freedom of religion, or of the press or other means of communication or the right of lawful assembly, association or organization.
>
> (b) Depriving any person of life or liberty by arbitrary or abusive measures, or denying to any person the equal protection of the laws . . ."

I am in full agreement with the hon. member for Rosetown-Biggar as regards the principles involved in that resolution. Among the liberties most precious to the individual are the ones concerning his tongue, his religion, his faith and his traditions. The school has been the first medium of transmission of human thought. Can it be claimed, as has been the case in this house, that Canadians of French origin living in British Columbia must suffer their lot because they constitute a minority? They might as well be told, "If you are not satisfied, move out. Take your belongings, your children and go wherever you want; it is no concern of ours". It amounts to denying them the fundamental right to live in their country and to live wherever they choose on our Canadian soil.

Canadians of French origin are stubborn but at the same time they are excellent Canadian citizens. They love their country; they love the laws governing them; they love to live in society with their English-speaking compatriots. The best proof of this is that all of them are making efforts to learn the language of the majority in order to be able to entertain better relations with all their fellow Canadians.

It is being said that in British Columbia Canadians of French descent cannot legally have the same rights they would have, by virtue of the constitution, in some other provinces. That is no doubt the reason they have to build their own schools, pay for the cost of these schools and pay for the education they want for their children. They have, moreover, to contribute, by paying school taxes, to the education of Canadian children of other racial origins who are obliged to attend public school. It is contrary to human rights that there should exist somewhere in our country a system which forces children to receive an education which their parents cannot recognize and which destroys in their souls both appreciation of liberty and love of country.

All governments in the world must adopt wise laws. It is the enactment of these wise laws—laws respectful of natural rights—which makes just governments. A state is great in so far as it respects the rights of man. On May 6, 1954, in Montreal, Mr. Murray Ballantyne stated:

> We must accept the fact that Canada is called by history to be basically bilingual and bicultural. Our national destiny is difficult but enriching. Canada is the French-Canadians' home, and they ought to be able to feel at home in it from the Atlantic to the Pacific. Together we French and English speaking Canadians can build a great nation. Apart, neither can succeed.

I therefore say to those who, in this house, have expressed opinions which to your humble servant are contrary to the spirit of confederation, that they should seek a formula which will cause provincial legislatures, where education is subjected to the weight of the majority, to put the minorities on an equal footing so that double taxation may disappear. Majorities by themselves have no rights. Rights are attached to the individual. True it is that in a democracy individuals, subjects by right, vest the state with the right to legislate. Law then becomes an obligation for all. If law becomes unfair to a group of citizens, it is then proper to revise it with a view to the disappearance of inequality before the law. It would only be fair that all should benefit by law on an equal basis. It would only make for a greater, finer country and Canada would see her already world-wide reputation further enhanced.

What I wish for with all my heart is that the principle of equality of rights in matters

of labour be accepted in the field of education. On May 14, 1954, we passed an act stating that no employer may discriminate against any person in regard to employment because of his race, colour, religion, or national origin, and no trade union may exclude anyone from membership or discriminate against anyone in regard to membership or employment on these grounds.

We have welcomed that legislation of non-discrimination as a further step toward national unity. Let us promote the application of the same principle with respect to education, without infringing upon the rights of the provinces to determine their school laws, but by good will, good advice and good understanding. What succeeded in 1867 could surely be attained in 1955 if all wished together to pursue the same aim.

For our part we shall always persist in the way set for us. Our ancestors from France opened this North American continent to colonization, trade, agriculture and industry. After the treaty of Paris our ancestors demonstrated more than four times their love of Canada and their attachment to the British crown. After 1867 they co-operated with their English-speaking fellow citizens to the edification of the Canadian nation, and their descendants will continue to follow their destiny despite wars, times and crises. They want to see in the hearts of their children the blossoming of the love of Canada, and in their minds the development of a sense of and desire for her moral, political and economic greatness, so they may always breathe the incense of liberty and cultivate, as free men, the joy of living. Nothing shall alter their determination. Neither "Attleeism" nor atheism shall find room in the depths of their souls as Canadians.

It is often said that history repeats itself, but it must be repeated more often if we want it to be retained by men, who pass rapidly, history keeping only what is lasting: faith in God, faith in ourselves, faith in our country which makes men capable of building an imperishable progress.

Before closing, Mr. Speaker, I should like to congratulate in French the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne.

(Translation):

Mr. Speaker, like all previous speakers, I would like to offer my congratulations to the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne. The complimentary remarks I would like to make would never be good enough for what they deserve. I shall therefore simply say "very well done" and "all honour to them."

(Text):

Mr. W. M. Hamilton (Notre Dame de Grace): On the first occasion on which it is possible for me to do so this year, Mr. Speaker, I want to thank the Postmaster General (Mr. Cote) very much indeed for the shining, new and bright post office which was opened in our area of Notre Dame de Grace just a month or two ago. It shows the co-operation that exists between the Postmaster General and myself.

Those of us who come from Montreal, and who are Conservative, would be perhaps saying something hypocritical if we said we were happy to see the Minister of Transport (Mr. Marler) come into this house. We would have been happier had it been someone on this side. But if they had to choose from amongst the group of Liberals in Quebec to fill that post I believe they made a good choice, because he is a very fine man. I am sure, too, that the hon. member for St. Lawrence-St. George (Mr. Richardson), who has just come into this house, will make quite a contribution to our proceedings because in the *Herald* for Tuesday, November 9, he said:

> My experience and background and ability show that I can speak for this riding far better than my three opponents combined.

This statement was made just after the election.

During the summer I was happy to see that the Minister of Northern Affairs and National Resources (Mr. Lesage) was spending his time travelling in Canada. I believe he is a little bit out of place with the other cabinet ministers, but it is a good thing that at least one of them is staying at home and examining that tremendously important territory for which he is responsible.

One of the advantages of this debate, Mr. Speaker, is that it allows us to put forward ideas or suggestions which may occur to us which we could not otherwise encompass in the course of the debates on the legislation which comes before this house. We in this house must concern ourselves with the problem of democratic government, purely as democratic government, to ascertain whether the government is continuing to fulfil its democratic responsibilities. There is little opportunity to discuss that in detail under any specific piece of legislation; therefore I should like to take a few minutes this afternoon to examine this particular aspect of our parliamentary and political life in Canada.

The other day the hon. member for Oxford (Mr. Nesbitt) suggested that this whole question of our democratic operation is the most important problem of our free world, because it matters very little if we strike off the encircling chains of captivity from others if,

in the process, we bind ourselves. We do not have to go to the hon. member for Oxford for that suggestion. We can go back almost a century to Abraham Lincoln, who put it quite succinctly when he said:

> Must a government of necessity be too strong for the liberties of its people, or too weak to maintain its own existence?

This challenge to the ability of free men to develop a means of restricting certain of their activities in the interests of society while still remaining free has been met at different times in different ways. Essentially free governments everywhere are patterned after one or another of the three parliamentary democracies of Great Britain, France or the United States. Each of these systems has its strength and each its weakness. Sir Arthur Salter, whose record in the British house is known to most of us here, has made the following comment:

> Each of these three systems has its distinctive merits and each of them has a distinctive inherent danger. The danger of the French system is instability. The danger of the American system is deadlock. The danger of the British system is cabinet tyranny.

Under the British system, which is the one we follow in Canada, such cabinet tyranny can be cloaked in many ways. It will depend largely on the cleverness of the party in power in dissimulating its intentions and misleading the public as to whether or not the people generally realize the dangerous course their government may be following. When you have a government that has the political morality of an alley cat and the lust for power of a Genghis Khan, it behooves those of us—and that includes all of us Conservatives on this side—who hold democracy precious to be on guard for all the people.

It is well to remember, Mr. Speaker, that the existence of the ballot itself and some form of free election is no indication of either political freedom or freedom of the individual. The Germany of the thirties had an elective parliament sitting concurrently with the Hitler regime; Russia today has an elective parliament which meets from time to time for the discussion of public affairs.

In our society in Canada, government is a living organism. It is a dynamic, not a static part of our existence. Its role, its responsibilities, its way of operation and, to some extent, its entire function must change from time to time to adapt itself to changing conditions. This I admit. But I do not admit that in this changing process we need to, or should, surrender those democratic privileges that men have fought and died for all down through the centuries.

There are those who do not agree with this thesis. These people are prone to argue

that the adaptation of government to our changing society must of necessity mean the invasion of our rights as free men and as free legislators. For example, in a speech on the role of government delivered by Monsieur Maurice Lamontagne, then of Laval University in Quebec, we find this statement:

> The society of tomorrow will have to face the problem of bureaucracy. To solve it, it will be necessary to create new methods of democratic control and perhaps also to revise our concept of democracy.

Here is a clear-cut case of the sort of confused thinking to which I refer, the suggestion that to deal with the changing role of government in our society we must revise our concept of democracy. I noted with interest that the author of this suggestion, shortly after making it, moved from his university in Quebec to a senior post in our government bureaucracy at Ottawa. I predict a brilliant future for him. His pathway has been blazed by a number of other civil servants, including the Minister of Citizenship and Immigration (Mr. Pickersgill), the Secretary of State for External Affairs (Mr. Pearson), and the Minister of National Defence (Mr. Campney), all of whom came into the cabinet from the civil service.

Amongst Canadians it is commonly assumed that the nature of our government, and the way in which the democratic process operates in our Canadian parliamentary system, has not changed in the period since 1935 when the Liberal party began its long tenure of office. This misconception is fostered by the fact that things are done very much as they used to be done. The Speaker still presides; resolutions and bills are still proposed, debated, and with almost complete uniformity passed. All the trappings of a parliamentary democracy are observed. But this does not necessarily mean that democracy and parliamentary control extend below the surface. Appearances can sometimes be deceiving, as they are in this case.

For those who would claim that this is not so, let me remind them of the evolution of the message we are today debating, the message of His Excellency the Governor General which we term more popularly the speech from the throne. There was a point in British parliamentary history when this message was just what it purports to be today, direction from the monarch to his parliament regarding legislation. Today, though couched in the same archaic language and using the same pronouns, even the schoolboy knows that the speech is conceived and written, exactly as delivered, by the cabinet of the day. Yet outwardly there is no change; and this simple example, plus many others from our procedure, proves to us beyond any

doubt that the realities can undergo great change while surface appearances remain constant.

The fact that these subsurface changes are taking place is generally admitted, and has been for many years, even among the stauchest adherents of the Liberal party. Senator Roebuck, the former Liberal member for Trinity, said in a debate in the other place in 1947:

> The direction in which we are travelling is a regulated society in which the rights of the individual are set aside, purportedly for the good of the public, but the final result is next door to a controlled society or a police state in which the private individual and the business of the country are bossed by a few civil servants.

Later in the same speech he remarked:

> I know we are drifting towards the abolition of government by legislation and the substitution therefor of government by order in council.

The member for Quebec South (Mr. Power) made the following statement, first in an article in a national magazine and later before the national Liberal convention in 1948:

> From the ideology of the C.C.F. we have lifted the worship of bureaucratic controls, leaving parliament—and the reference is to the present, not to wartime—little more than the role of a debating society, controlled from outside, not by the people who elect its members, but by minor czars and petty dictators.

We all know what happens to such free thinkers in the Liberal party and in this government, and the hon. member for Quebec South is an example; he got bounced from the cabinet by those who have "a new concept of democracy". These are not isolated quotations. They have been echoed time and time again by Liberals of every rank, and from every part of this country.

The judiciary of our country has warned time and time again against the increasing abuse of government powers. In 1948, for example, in reporting a judgment of Mr. Justice E. R. Angers of the exchequer court, the Canadian Press said:

> A justice of the exchequer court warned today that uncurtailed use of discretionary powers placed in government officials could lead to a dictatorial government in Canada. There are, in my judgment, far too many encroachments by ministers, deputy ministers and functionaries in the judicial as well as the legislative field.

Said Mr. Justice Angers:

> If they are not curtailed, the country may in a not too remote future be ruled by a dictatorial government.

Last year, in a case where the Department of National Revenue had refused to reveal certain information to a British Columbia court, Mr. Justice Rand of the supreme court said:

> To eliminate the courts in a function with which the tradition of the common law has invested them and to hold them subject to any opinion formed, rational or irrational, by a member of the executive to the prejudice, it might be, of the lives of private individuals, is not in harmony with the basic conception of our policy.

And a few sentences later he said:

> What is secured by attributing to the courts this preliminary determination of possible prejudice is protection against executive encroachment upon the administration of justice; and in the present trend of government little can be more essential to the maintenance of individual security.

Thus apparently two of Canada's top jurists distrust the present trend of government, and many similar judicial observations could be cited. The press of Canada has an acute awareness of the dangers facing us. The Winnipeg *Tribune*, in an editorial on March 6, 1954, said in part:

> The decline of parliament's power, prestige and control is real and distressing. The encroachment of the executive on parliament's traditional functions has brought parliament to the status of a sounding board and a place in which grievances may be aired. The authority of parliament is rapidly disappearing.
>
> What's more, there is considerable danger that the cabinet, which has done much to undermine parliament, is now in serious danger of itself becoming captive.
>
> The cabinet is becoming more and more reliant on anonymous civil servant policy-makers, who are not responsible to parliament or the courts for their actions. The senior officials of government departments have acquired wider and wider powers of law making and law breaking.

Newspaper after newspaper across our country has pointed out these facts, in editorial after editorial.

Now, Mr. Speaker, in developing my argument to this point I have attempted to show three things: first, that under our British and Canadian type of parliamentary government the inherent danger to democratic processes is the chance of power passing from the legislative body to the cabinet or, beyond it, to the bureaucracy; second, that such a transition of power may well take place without any definable change in the parliamentary process and without the public becoming aware of the change; and, third, I have attempted to show that such a change is taking place in Canada, and that we have entered upon a period of cabinet tyranny and bureaucratic control.

Given these facts, we have to ask ourselves what can we do about it, or whether we propose to do anything about it. The situation reminds me of a story of two friends who were up in the gallery of the house when a cabinet minister was making a speech during the presentation of his estimates. In that speech he was extolling the virtues of his government, and also making a vigorous attack against suggestions put forward by the Conservative party. His attack became more vigorous by the moment, and one man

turned to the other and asked, "Are the Conservatives going to take this lying down?" The friend replied, "No, that is what they have *Hansard* for." Well, we Conservatives are not going to take this change in democratic government principles lying down, either.

Earlier in this address I pointed out the fact that government is a living organism which must adjust itself to the needs of a dynamic society, but that in the process of such adaptation we should be constantly on guard against the surrender of any of our democratic rights, both as individuals and as a legislature. One of the ways in which we can lose these rights is to delegate certain of our powers and then, having delegated them, not keep continuous control of and inspection over those powers and over those to whom the powers have been delegated.

Lack of action such as that represents a very large part of the menace of delegated legislation. Years ago, when government was a comparatively simple matter, parliament could go at great length into all the details of its legislation and the implementation of that legislation. The rules under which it would be carried out could be brought before the house for discussion and debate. But the growth of government activities makes it no longer possible to do such detailed work in this house. In a great many cases all parliament can do is to set up the framework and basic principles by means of a bill, and then leave to the cabinet and to the bureaucracy the detailed working out of the provisions, which are then regularized and given the force of law by orders in council.

The theory behind this method of operation is that such actions, being available for inspection and study by individual members of this house, may be brought before the house in certain ways if it is considered they are not consistent with the desires of the house.

There are two weaknesses with such a procedure as it presently exists. First, the volume of such delegated legislation has grown to a point where its voluntary review by members of this house is almost an impossibility; and, second, no organized committee of members of this house has been set up for such review. For example, the last two volumes of the *Canada Gazette*, part II, one of which appeared on December 22, 1954 and the other on Wednesday, January 12, 1955, totalled 1,462 pages. That gives some idea of the volume of this work which should be subject to review by this house.

This government, in debates at the end of May, 1950, indicated its position, that it considers parliamentary review of such delegated legislation unnecessary. My position on this attitude may be summed up in the words of Professor Mallory of McGill University who, in the *Canadian Journal of Economics and Political Science* for November, 1953, says:

> Evidently, in the Prime Minister's mind, careful ministerial consideration could be regarded as a substitute for parliamentary review. There are perhaps not many persons outside of ministerial and official circles who would agree with him.

In the field of the financial activities of the government there is provision for such a review, independent of the government of the day, with the report on the legality and correctness of these actions being made direct to parliament itself. I refer, of course, to the activities of the Auditor General. I think every member of this house looks forward with considerable interest to the arrival of the Auditor General's annual report—the opposition with anticipation and the government with trepidation.

If we accept, as we must, the fact that every action of this government is done in good faith and with every intention of complying with the wishes of this house and the laws of the land, the annual report of the Auditor General indicates quite clearly that none of us, whatever our intentions, is perfect. I do not know how hard the government tries to be perfect; I suspect sometimes not very hard. Each year we receive a report which points out numerous mistakes on the part of the bureaucracy. This year, for example, they ranged from highly questionable accounting procedures on the part of the Canadian Broadcasting Corporation through highly questionable uses of public funds in a number of cases, to highly questionable rental arrangements for officials of the government at various points in Canada.

Such a review of government activities tends to act as a check on irregular activities, and to bring to the attention of this house much information which we otherwise would not receive. This information is supplementary and additional to all that which comes to us from our inspection of the estimates and the discussions we engage in during their examination. I think most of us, certainly on this side of the house and perhaps with the exception of the cabinet, would agree that the function of the Auditor General is highly important and one which is of tremendous value to us in our work of governing this country efficiently and well.

In the light of these remarks and this demonstrated tendency for delegated legislation and actions to be concentrated in the hands of a comparatively small and select group of people outside this house, I would like to put forward for the consideration of the house the thought that a similar office

to that of the Auditor General might be established to deal with activities of the government in the field of delegated legislation, with special reference to orders in council and rulings made by various departmental heads as the result of powers delegated by this house in its legislation.

Within this field such an officer should be on a status comparable with that of the Auditor General. He would be an officer of this house, reporting directly to this house in his own right, with the same protection against interference as that enjoyed by the Auditor General. In this respect he would differ greatly from the present departmental solicitors and Department of Justice; for while we must realize that activities in the field of delegated legislation are reviewed by these gentlemen, we must also realize that their responsibilities fall in the line of command of departmental organization, and it is logical to expect that their reasoning may be influenced to some extent by this fact.

The function of this officer of the house, as I have indicated, would be to review orders in council and departmental rulings with the force of law, to determine whether in his opinion they complied with the provisions of the bill authorizing them. As with the Auditor General, he would have the power to investigate and study subsidiary material and to enter governmental files in order to determine the circumstances surrounding a particular item of delegated legislation under study, because goodness knows they have great reservations about making adequate material available to us.

The report of this officer, made directly to this house, would be similar to that of the Auditor General. It would point out particular circumstances in which he felt that action on the part of the cabinet or its subsidiary officials transgressed the provisions of legislation of this house.

I do not propose to develop in any further detail the functions and responsibilities of this particular official, because I think I have gone far enough to show rather clearly the value of such an undertaking to hon. members. I make this statement very definitely; this is not a super-bureaucracy; it is not setting up a man to check on others which will grow and grow as many of those bureaucracies have done. It is a function parallel to that of the Auditor General, serving this house directly, and not a servant to the government.

However, I do suggest that this is the type of thinking which the government should have undertaken a long time ago. All of us are aware that both in the business field and in the governmental field conditions are vastly changed from those of a generation ago. We cannot set back the clock, nor would we wish to do so in some respects. Rather, we must work out ways and means of dealing with circumstances as we find them in the changing life which we are facing today.

One of these circumstances is the increased responsibility of government and the increased volume of work being handled by this house. I think it has been obvious since the advent of world war II that we had to find ways and means of keeping democratic control in this house and still delegating some of the details with which in the late 1800's and the early 1900's the house could deal.

On motion of Mr. Hamilton (Notre Dame de Grace) the debate was adjourned.

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

HOUSE OF COMMONS

Thursday, February 3, 1955

The house met at 2.30 p.m.

HOUSE OF COMMONS

CIVIL SERVICE COMMISSION—APPROVAL OF REPORT RESPECTING A CERTAIN POSITION

Hon. W. E. Harris (Minister of Finance) moved:

That the report of the civil service commission respecting compensation for the position, chief of orders and notices, of the House of Commons, laid on the table of the house January 31, 1955, be now approved.

Motion agreed to.

FLAGS OF CANADA

MEASURE TO PROVIDE FOR A NATIONAL FLAG OF CANADA

Mr. A. H. Hollingworth (York Centre) moved for leave to introduce Bill No. 21, respecting flags of Canada.

An hon. Member: Explain.

Mr. Hollingworth: The explanatory note simply says that as it is desirable that Canada should possess a distinctive national flag, this bill suggests a procedure for accomplishing that purpose.

Motion agreed to and bill read the first time.

BRIDGES

MARPOLE, B.C.—REQUEST FOR FINANCIAL ASSISTANCE

On the orders of the day:

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to ask a question of the Minister of Public Works. Has the minister received a request for financial assistance from the government of British Columbia, the city of Vancouver or chambers of commerce in the Vancouver area for the building of a high level bridge across the north arm of the Fraser river at Marpole, British Columbia? If requests for financial assistance have been received, what decision has been made in the matter?

Hon. Robert H. Winters (Minister of Public Works): Since I received notice of this question I have had the opportunity of having a word with the hon. member. There has been confusion in some minds as to just where this bridge is to be located.

As I understand it, the initial request came to us for a bridge to replace the present Marpole bridge, and this government after due consideration agreed to pay up to a maximum of $400,000 toward a suitable bridge to replace the inadequate one now existing. The government of British Columbia, I understand, has decided to go ahead with a bridge at the foot of Oak street. I believe it is referred to as the Oak street project, and tenders have been called; but this government has not decided to participate in that project.

Mr. T. H. Goode (Burnaby-Richmond): May I ask a supplementary question? There was an offer from the federal government of an amount of $400,000. Does that offer still stand?

Mr. Winters: That offer was based upon the federal government's interest in having traffic proceed with the greatest facility between the mainland of Vancouver and Sea island. This present Oak street project involves a new large bridge from Vancouver to Lulu island and another smaller bridge from Lulu island to Sea island. To the extent that this new project is in keeping with the federal government's aim in making the $400,000 offer, I assume it will be available for this new project.

SHIPPING

TRANSFER OF SHIP FROM SAINT JOHN TO ST. LAWRENCE SERVICE

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I should like to ask a question of the Minister of Transport. Is the *S. S. Walter E. Foster* being transferred from Saint John to the St. Lawrence at the height of the winter port season and, if so, why?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, this is a temporary reallocation for the balance of the winter, due to the sinking of the *Lady Grey*. The ship will return to Saint John as soon as the ice season is over.

Mr. Bell: May I ask a supplementary question? Would it not have been possible to get an icebreaker from some other place, or to have used the old transport vessel in Saint John? This vessel is necessary for navigational aids in that harbour.

Mr. Marler: The department did not consider that that would be convenient.

GRAIN

SUGGESTED AMENDMENT OF ACT—BOX CAR ALLOCATION

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to ask a question of the Minister of Trade and Commerce. Will producers be given the right to deliver grain to the elevator of their choice through an amendment to the Canada Grain Act, as requested by the three wheat pools?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I have to give the obvious answer, that the government's intentions with regard to legislation will be made known in due course. I have noticed that my hon. friend has a notice of motion in *Votes and Proceedings* intended to bring this about, and I cannot prejudge the opinion of the house on the resolution.

Mr. Argue: May I ask a supplementary question? Is there any method for allocating box cars at present in effect that is different from the method that prevailed a year ago?

Mr. Howe (Port Arthur): Mr. Speaker, the matter of allocating box cars is subject to the car order book, and after that it is by arrangement between the railways and the elevator companies.

[*Later:*]

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a supplementary question to the Minister of Trade and Commerce in connection with car allotment. Is there anything his department can do to secure a greater allotment of cars for those areas of northern Saskatchewan served by the Canadian Pacific lines? On those lines there is always a smaller number of cars available.

Mr. Howe (Port Arthur): The allotment of cars on branch lines is under constant review by the wheat board. Calls for grain are issued for cars for particular lines. I cannot believe that there is any discrimination against northern lines. However I shall call the attention of members of the wheat board who are in Ottawa at the present time to my hon. friend's question in order to make sure that if there is any discrimination it is removed immediately.

[Mr. Bell.]

NATIONAL DEFENCE

CIVILIAN USE OF LONG BRANCH RIFLE RANGE

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, on Tuesday last when the orders of the day were called the hon. member for St. Paul's (Mr. Michener) inquired as to what progress is being made by the Department of National Defence toward making the Long Branch rifle range available for civilian use.

Long Branch rifle range is the only outdoor rifle range operated by the Department of National Defence in the whole Toronto area. It has been so operated for over 40 years. The range serves 17 militia units of battalion or equivalent size, 6 militia units of company size, the regular army troops stationed in the area, personnel of the Royal Canadian Navy and the Royal Canadian Air Force, members of the R.C.M.P. and Ontario provincial and local police, as well as military and other rifle associations.

Use of the range has been increasing steadily throughout the last few years both in numbers of personnel using the range and in time occupied. In 1954 approximately 9,000 personnel shot at the range. The range is therefore of very considerable importance in the field of military training in the Toronto area.

Continuous and very rapid growth of population in the Toronto area during recent years has gradually enveloped the range, and increasing pressure is now being brought to bear on the department to move out. We recognize this situation, but the difficulty has been to find a suitable alternative site. For the past few years we have been making every effort to find an area large enough and close enough to Toronto to develop into a suitable range. We have not met with any success whatever. The whole district around Toronto for many miles is being subdivided and developed, and any prospective site we have found is subject to the same objections which are being directed to our continued occupancy of Long Branch.

On the other hand it must be recognized that the department is obligated to provide shooting facilities for the numerous military units in the Toronto district, either at Long Branch or some other area reasonably accessible to Toronto. In view of the lack of success which is meeting our efforts, we are at present considering the possibilities of Camp Borden which, though 60 miles from Toronto, might, in view of the construction of

a new super highway, serve to meet our military need, though at considerable inconvenience to Toronto units.

In the event that Camp Borden is found practicable, I assume that the lands which we own at Long Branch would be turned over in the usual way to Crown Assets Disposal Corporation.

Mr. John Pallett (Peel): I should like to ask the minister a supplementary question. Was it not the intention of the Department of National Defence to release the Long Branch rifle range by October 1, 1954? If it was the intention to release the range as of that date, what circumstances or what facts have caused the department to alter its original intention?

Mr. Campney: So far as I know there was never any intention to vacate the Long Branch rifle range by October 1 of last year.

CUSTOMS TARIFF

MARKING OF TOYS WITH NAME OF COUNTRY OF ORIGIN

On the orders of the day:

Mr. O. C. Trainor (Winnipeg South): I should like to direct a question to the Minister of National Revenue. Has the minister received from Canadian toy manufacturers complaints that section 16(1) of the Customs Tariff, which provides that the governor in council may order that goods imported into Canada be marked with the country of origin, is not being observed? Will the minister tell the house that this provision of the Customs Tariff with respect to toys will be observed in future? If not, why not?

Hon. J. J. McCann (Minister of National Revenue): That is a pretty large question. I have no knowledge of any complaints from this particular manufacturing concern, but I shall take the hon. gentleman's question as notice and have it looked into.

CHEESE

REGULATIONS APPLYING TO IMPORTATIONS FROM NEW ZEALAND

On the orders of the day:

Right Hon. J. G. Gardiner (Minister of Agriculture): In answer to the question asked by the hon. member for Peterborough yesterday regarding imported cheese, I may say that cheese imported into Canada is subject to the same inspection and must comply with the same regulations as cheese made in Canada.

Mr. G. K. Fraser (Peterborough): Do the regulations that apply to cheese consumed in Canada apply to cheese imported into Canada?

Mr. Gardiner: Exactly the same regulations apply to cheese used in Canada whether it is imported or produced here.

CANADIAN NATIONAL RAILWAYS

PROPOSED LEASE OF NEW HOTEL IN MONTREAL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport? Has the arrangement for the Hilton hotel chain to operate the new C.N.R. hotel in Montreal been finalized? In view of protests against this arrangement, can it be reconsidered?

Hon. George C. Marler (Minister of Transport): I would remind the hon. member that the announcement was made by the management of the railways in November last, at the time the arrangement was concluded with Hilton.

ATOMIC ENERGY

INQUIRY AS TO SETTING UP OF COMMITTEE

On the orders of the day:

Mr. E. G. Hansell (Macleod): May I direct a question to the Minister of Defence Production? In the light of news reports to the effect that President Eisenhower might call a conference of the nations on peacetime atomic energy, is it the intention of the government to set up a committee on atomic energy this year?

Right Hon. C. D. Howe (Minister of Defence Production): The government of Canada works very closely with President Eisenhower on atomic energy matters. It is closely associated with the discussions at the United Nations, and I can assure my hon. friend that if those discussions are carried further Canada will be represented.

Mr. Hansell: My question was, is a committee of the house to be set up this year?

Mr. Howe (Port Arthur): I am sorry, I did not understand the question. Yes, it is the intention of the government to propose a committee to study atomic energy as well as research generally.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, February 2, consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Rowe, and the amendment to the amendment of Mr. Hahn.

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, in the course of my remarks yesterday I used the phrase or expression "a government that has the political morality of an alley cat". I notice that in the report in the *Gazette* this morning, attributed to the Canadian Press, that has been translated and attributed to me as follows: "the morals of an alley cat." I prefer to stand on my original phrase, which restricted it to the political field. The press gallery and the Canadian Press, who are so much better acquainted with the government and have known them so much longer than I have, can make any extension of it they wish.

Mr. Lapointe: It might extend to the other side.

Mr. McCann: You would be included.

Mr. Hamilton (Notre Dame de Grace): This, Mr. Speaker, is the time of the false prophet. Our progress has been so rapid, the changes around us so great, that many of us have lost sight of those accepted and objective standards by which mankind has been guided for so many generations. This is the age of grotesque and perverse fanaticisms, of bigotries which would be contemptible if they were not all so dangerous. This is the generation of the big lie, the mass delusion. Only the obvious seems not worth saying, only the truth remains in want of publicity. All too often the good is despised as sinful or corrupt and every kind of evil is permitted to parade under the name of virtue.

In this time of change the signs and symbols which have guided the lives of men for centuries have suddenly become unreliable and obscure. In the universal deluge of ideas and mechanical advances men swim about amid the intellectual wreckage of their culture like torpedoed seamen clinging to different coloured bits of straw, not one of them sufficient to support a man.

The cause or occasion of the revolution in our time has been the coming of the machine. But its real challenge, like that of all such periods, is not political or economic so much as it is spiritual. This is the challenge that this government has failed to meet more than any other, the spiritual challenge, the challenge which has brought Canada ever forward. Oh, they have been aided by economic conditions, and they have stayed in power. They have had assistance from various factors, national and international; but as a government and as a party I suggest that they are spiritually gutless and intellectually bankrupt. They have hoped and groped their way through the past 20 years, calling on the civil service for ideas, intelligence and brains. They have been raiding the same civil service for cabinet material when they could not produce it within their own party. They have been digging into provincial Liberal parties for cabinet material when those same provincial Liberals found they had no future in their own party.

An hon. Member: We have never called on you yet.

Mr. Hamilton (Notre Dame de Grace): My call will come from the people of Canada, not from men who have descended so far that in recent months we have seen them dig into this same civil service, take a man out of it for a preliminary canter in politics, and then when that did not work out put him back into the civil service again. In this respect they treated some of our most cherished traditions of service to this country as they would a box of candy from which you take out one piece, eat it, take out another piece, bite a corner off and put it back into the box.

They have been astute politicians, as leaders they have been lucky; but any government that could produce and support the document which was presented to us a short time ago as the speech from the throne, a document devoid of imagination or of any challenge to the people of this country, a document which refused to accept the facts of economic life in Canada as we find them today, a document which skated around the important issues of the day in order to make reference to matters which are of comparatively minor significance; any party which produces such a document should have nothing but shame in their souls at this point. I for one will vote against any recognition of that document, and without reservations about the party that has brought it into being. I shall be able to do that with great satisfaction.

There are one or two brief points I should like to refer to in passing in case the government has overlooked them. I would remind the Minister of Transport (Mr. Marler) that the St. Lawrence seaway which is going to have a tremendous effect on our city of Montreal is also well on the way to strangling the traffic passing from the island of Montreal to the south shore. There is one solution and one solution alone which is agreed upon by those who have an intimate knowledge of the situation, and that is a tunnel under the river.

I remind the minister of the need of proper harbour facilities at Montreal, where the passenger sheds are in many ways inferior to our air terminals. You all know what I think of the air terminals of Canada. They bring no credit whatsoever to the great country which

is ours. I would remind the Minister of Transport of our need for a fireboat at the island.

Finally, I remind the Minister of Transport that Canadians from one coast to the other have hung their heads in shame at the news that the Canadian National Railways has not sufficient trust and confidence in this country to operate their hotel which is being erected with public funds. That is a blot not only on the record of this government but on the record of all Canada. I think the government should look back on this with shame.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, yesterday afternoon I endeavoured to get leave to discuss a matter of urgent public importance, namely the Formosa situation. I have no criticism to make of the fact that you denied me that request. I think the matter is of urgent public importance, but it is your prerogative to decide whether there is sufficient urgency and whether there is a debate in progress which would permit one to discuss such a matter. This afternoon I want to say something of what I was going to say yesterday.

First I want to say I believe that from San Francisco right up to the present time Canada has had many opportunities of speaking out when she has refrained from speaking clearly. I believe that at San Francisco and subsequently Canada was looked upon, because of our situation, because we were not beholden in any way to any other country for the financing of the war or for assistance in our participation in that war, as a country which could speak for that group of nations which is below the level of the five great powers, I do not care whether you call them middle powers or smaller powers.

I am of the opinion that this is the time when Canada should speak with a clear voice regarding the Far Eastern situation. I am going to say that I shall respect the suggestion made yesterday by the acting minister of external affairs, for I am quite certain that what I am going to say this afternoon will create no difficulty or be in any way of an inflammatory nature.

I must confess that I was surprised at the attitude taken yesterday by the hon. member for Prince Albert (Mr. Diefenbaker) when he expressed opposition to my request for leave. It is only a few weeks ago since the hon. member stated that he hoped we were not returning to the days of Mackenzie King, when external affairs were kept more or less under close cover. I might add that I can recollect speeches by the late Gordon Graydon, when he was spokesman for the Conservative party, and in his absence speeches by the hon. member for Eglinton (Mr. Fleming), criticizing the government because time and time again in this house we found ourselves faced with accomplished facts in relation to external affairs.

It seems to me, as I said in my proposed motion yesterday, that this House of Commons should have an opportunity of discussing and expressing an opinion in connection with the grave matters in the Far East. At noon today I heard the one o'clock C.B.C. news broadcast. I regretted exceedingly to hear that the premier of the people's republic of China is refusing the invitation to attend the meeting of the security council, but I understand the reasons for that refusal. It was stated that the premier said he would not be willing to send representatives to the security council until the government on the mainland of China, governing the overwhelming bulk of the Chinese people, was recognized and until the representatives of Chiang Kai-shek were removed both from the United Nations and the security council.

Now, one does not have to agree with the ideology of the government of China to say that that government is in fact the government of China, and has been for several years. Nor does one have to repeat what has been so often repeated in this house, that that government was recognized in 1950 by the government of the United Kingdom, with the expressed public support of the present Prime Minister, Sir Winston Churchill, and the present foreign secretary, Sir Anthony Eden. In other words the British people, through their political leaders of all parties, recognized the fact of a new government in China long ago. So far as this and other countries are concerned, we recognize all kinds of governments, governments that cannot by any stretch of the imagination be classified as democratic and are often totalitarian.

Nor can we hide behind the fact that the government of China came into being through revolution. How often do we recognize the governments of Latin America when constant changes are made in those governments by assassination and by revolution. One can look over the list of the South American governments and see that a number have come into being by revolution and sometimes by assassination, yet we have recognized them. One does not have to agree with the ideology of a government to recognize it as, in fact, the government of a country.

This whole situation regarding Formosa is of course very dangerous, dangerous to the peace of the world; and, should war develop, very dangerous to the security and safety of our own country. It is said, of course, that

China's claim to Formosa is based upon insecure grounds. It is said that the claim of the government on the mainland of China to Formosa has failed to recognize the fact that for 50 years Formosa was controlled by Japan, and a century or so before was for 30 years under the government of the Netherlands.

If that is so may I ask, Mr. Speaker, by what right is Chiang Kai-shek there? Chiang Kai-shek says he is the government of China, and claims Formosa on behalf of his regime as the government of China. You cannot have that argument both ways. If Formosa is not in reality a part of China, then why is Chiang Kai-shek there? Why are we recognizing him as the government of China if that is the argument that is used? I heard it used last night by a United States newspaperman speaking from New York during the course of the mid-week review. I say then why is Chiang Kai-shek regarded by us or by anybody else as the government of China if it is true that China has no claim to Formosa?

Of course one cannot overlook the fact that both at Cairo and at Potsdam it was agreed that with the cessation of hostilities Formosa should again become a part of China, as it was before the Japanese conquered it 50 years before. I am not going to say that is the correct disposition of the country. In 1950, when I had the great privilege and pleasure of being associated with our delegation as an observer at the United Nations in New York, I made the suggestion that I thought a proper disposition of Formosa was to neutralize it under the United Nations and let the Formosan people decide what the future of that island should be. I am not arguing that it should be returned to China. I am arguing, however, that the difficulties that have arisen in the Far East, and which now threaten the peace of the world, are largely due to the fact we have failed to recognize that there is a new government in China. We cannot hide behind the argument that that government came into being by revolution or that it has an ideology we do not like. When we look around the world we can see many countries with ideologies we do not like and with governments we do not like, which came into power by revolution.

I want to say, Mr. Speaker, that I believe the policy of the United States in the Far East is just as dangerous, and just as wrong, as I believe the association of Canada with and the strengthening of NATO is right. Just as I believe the one thing, I believe the other. I believe the one thing because I feel that if we drift along we shall drift into a situation which will bring about a catastrophic war, and I believe the other is a move in the direction of peace. When we look at some of the statements that have been made recently, such as President Eisenhower's message to congress or the President's news conference of yesterday, we see the dangers that may ensue.

Some of the great newspapers of the world have clearly seen those dangers. Here is a statement by the Manchester *Guardian*. I do not suppose anyone will say the Manchester *Guardian* is a socialist newspaper, a communist newspaper or other than what it is, one of the great Liberal newspapers of the world. I have in my hand the issue of January 27, and I should like to read one or two paragraphs from what they say about President Eisenhower's message. They say this:

> The ambiguities of President Eisenhower's special message to congress on Formosa are deplorable. The message is so clumsily constructed that it appears to contain a veiled threat of American attack upon the Chinese mainland. It says that the United States must be prepared to "take appropriate military action" against "any concentration of Chinese communist forces obviously undertaken to facilitate attack upon Formosa."

As I pointed out to the Secretary of State for External Affairs (Mr. Pearson) when he was referring to this particular speech, President Eisenhower failed to say that he would take the same steps to prevent an attack by Chiang's forces on the Chinese mainland. Then after setting forth the situation as they see it, they say this of the speech:

> It gives apparent credibility to some of the communist propaganda claiming that the United States is planning an attack upon China. It is a gross blunder.
>
> The damaging effect of these phrases cannot be undone by saying that their aim is no more than to assure the security of Formosa and the Pescadores. The threat to the mainland and the implicit American commitment to defend Quemoy remain. It does not help to declaim about "the free world's stake in a free Formosa." Nine-tenths of the free world has grave doubts about the kind of freedom provided by Chiang's regime (even if it has graver doubts about the communists).

Those are not my words. Those are the words of the Manchester *Guardian*. If I may I should like to quote one of our own Canadian papers which has had the respect of a large reading public in Canada over the years, particularly in western Canada. I refer to the Winnipeg *Free Press* of January 31.

An hon. Member: Oh, oh.

Mr. Coldwell: Someone says "oh, oh". He may not like some of the political views of the *Free Press*, but I want to say this. As a rule, the *Free Press* in the past has been

served by extremely able writers on international affairs, whatever we may think of their views on domestic issues. The *Free Press* says this:

> So long as the United States insists upon defending Quemoy and the Matsus, it is plainly and undeniably an interloper in the Chinese civil war. Mr. Dulles may believe, as Washington reports suggest, that he can use these islands as bargaining counters to induce the communists to accept a cease-fire. But it should be clear that he can do this only at the price of jeopardizing his moral position, embarrassing his allies and lending a ring of plausibility to the propaganda from the other side. The overwhelming support of the American congress is inadequate in this crisis to the needs of the Eisenhower government. It is important that the United States should also have behind it the preponderant support of the United Nations. To this end, President Eisenhower should make it clear that he recognizes the distinction between Formosa and the coastal islands and is prepared prudently to limit the American custodial role.

I read the report of the press conference yesterday, and one thing the President refused to do was admit the difference between Formosa and these islands. I try to follow events as closely as I can and as objectively as I can. Every morning before I come down to this house I try to read the international news in the newspapers which carry a good summary of international affairs. I was impressed by one article which appeared in one of our papers that I always read. It is an article by a rather conservative gentleman in many respects. I refer to Walter Lippmann, who had this to say yesterday morning in his article:

> If eventually there are to be negotiations for a cease-fire, it is evident that they cannot deal with the ultimate issues. We cannot expect Peking to sign any kind of truce which implies the surrender of her claims to Formosa. Nor should we at this time confuse the juridical issues by recognizing in a formal treaty Chiang's claims to Formosa. The only sound and the only safe position is to treat the ultimate disposition of Formosa as a matter which cannot be settled now even by negotiations much less by force.

That is what Walter Lippmann says. My plea this afternoon is that our representatives in London at the present time will speak clearly on behalf of the Canadian people; for I am certain that the fears I express with regard to the outcome of this situation in the Far East are shared by my fellow citizens across the length and breadth of Canada. I am sure of that. I am also sure that these fears are widely felt outside the borders of this country. I think a good many people in the United States share those fears with us.

In spite of any criticisms I may make of United States foreign policy I want it to be clearly understood that I am not criticizing Americans as such, for I know of no people who in the past have been more generous, or who are kindlier, or who are in most respects more democratic than are the majority of the citizens of our great neighbour to the south. However, we should make this point clear, and we are in a position where we can make it clear. We were independent of United States aid in the war we just fought. We are carrying on our own defence and are making our own contribution to NATO and other defences. We are not beholden in any way to the United States of America for equipment or for finances with which to defend ourselves. I should therefore like to see us speak out.

Yesterday I was disturbed because, as I read reports from London, I thought the statement made by a high governmental authority in Great Britain, speaking of the conference, indicated that our representatives at the commonwealth conference had agreed to what seemed to me to be a change of attitude from that expressed by the Secretary of State for External Affairs when he spoke in this house on January 25. May I say that with what the minister said then I had no quarrel. With what the minister said then I was in full accord. But it seemed to me that yesterday's dispatch indicating support for the United States also indicated a change in attitude. I have been assured by the Acting Secretary of State for External Affairs (Mr. Martin) that there has been no change in attitude, and I hope he will make that point clear to the house later on this afternoon should he decide to say a word on this matter.

Our government, and this house supporting that government, made it crystal clear during the Korean affair and subsequently that we were taking no part in the Formosa situation. Let us make it crystal clear again that we are taking no part in this Formosa situation. Let us make it crystal clear again that if, as a result of United States policy in connection with attacks on the coastal islands or on the mainland of that country, war develops, we are not responsible in any way for the onset of that war or the consequences of that war. Let us make that point quite clear while we may.

I notice that Mr. Eisenhower said yesterday that one of the reasons for the statements he was making at this time was in order that the Chinese communists might know, without any peradventure, where the United States stood in this regard. Let Canada make it clear without any peradventure where we stand in this matter. Settlement of this problem can be made only through the United Nations. That is the only way in which a settlement can

be made. It cannot be made satisfactorily by force of arms, bringing catastrophe upon the rest of the world.

May I say here I am convinced that what our great neighbour to the south is doing at the present time is alienating the vast millions of people upon whom we must rely in Asia for support in building up democracy all across the world. That is one of the factors in this situation which is most disturbing; the alienation of India, the alienation of Burma, the alienation of Indonesia, the alienation of those teeming millions who look upon the United States as an interloper in a civil war attempting to refasten upon China a form of western imperialism. That is a factor I think we should not overlook, and one reason we should make our position clear while there is yet time. I think the only way this can be done is by negotiations through the United Nations; and if we have to pay the price of recognition of the present government in China, that price is not too high to preserve the peace of the world.

Mr. Fleming: Would the hon. member permit a question?

Mr. Coldwell: Yes.

Mr. Fleming: My hon. friend will realize that it is asked seriously. First, does my friend advocate recognition of the so-called people's government at Peking as the government of the mainland of China and, second, does he advocate that it be recognized as the government of Formosa?

Mr. Coldwell: To the first question I answer yes. I have urged recognition of the people's government of China in this house on a good many occasions over the last several years. I did not advocate it during the Korean war. I did advocate it before that war broke out. I said during the Korean war that as long as that war lasted we could not recognize the people's government of China. The Korean war ended, and I believed there was an opportunity to make that recognition. Earlier in my remarks this afternoon I made it very clear, I believe, that as far as Formosa is concerned it should be placed under the United Nations. It should be neutralized and subsequently the people of Formosa, after the elimination of Chiang and his armies, should decide the future of their own country. That is my position, and I want to make that very clear.

These very negotiations in which we are engaged today do of course involve in effect recognition of China. We negotiated with them directly at Geneva. We negotiated with them on the Korean matter, and it is very difficult to see how you can negotiate with a government you do not recognize. If the price we have to pay is recognition, it seems to me that price is well worth paying.

Mr. Hees: Would the hon. member permit a question?

Mr. Coldwell: May I say I was courteous enough to sit down when the hon. member for Eglinton (Mr. Fleming) rose, but we are not in committee and I do not propose to enter into personal debate. I want to put the view I hold before the house, and if the hon. member disagrees with me I should like to hear his views subsequently.

Mr. Hees: I just want to ask a question.

Mr. Coldwell: All right.

Mr. Hees: I should like to ask the hon. member for Rosetown-Biggar (Mr. Coldwell) a question in all seriousness, as did the hon. member for Eglinton. The hon. member used the phrase "after Chiang and his army have been eliminated from Formosa". What did he mean by that?

Mr. Coldwell: I did not mean elimination by war. If the island were placed under the United Nations I think the United Nations would of course eliminate Chiang as the ruler and governor of Formosa. That is what I mean, to eliminate him as the governor and government of Formosa.

I said that the very negotiations we have undertaken from time to time have involved recognition, and I say that Canada should speak up today because other nations look to us to speak on some of these matters, and we have not always done so. I should like to refer to a statement of the leader of the opposition in Great Britain, and in this regard I am certain that he is speaking for more than the people within his own party. I have here an Associated Press dispatch from London, dated January 31, reading in part as follows:

> Clement R. Attlee, leader of Britain's Labour party, declared today that Chiang Kai-shek and his top nationalist officials should be exiled from Formosa.

That is one step beyond what I suggested a moment ago. It would seem to be quite necessary to do that. The dispatch continues:

> The island's people should then decide by plebiscite whether they want to join red China, Attlee said in a copyright interview in the Labour newspaper, *Daily Herald*.

I may say I am not following Mr. Attlee here, because I made this suggestion in 1950 when I was associated with the Canadian delegation at New York.

> In any case, the United States should drop forthwith the claim that Formosa is part of its Pacific defence ring.

"I cannot see myself that the island of Formosa is an essential part of the defence of the United States of America in this era of the hydrogen bomb", Attlee said.

"It is clear that the Peiping government won the civil war against Chiang Kai-shek. It would then have occupied Formosa but for the intervention of the United States fleet. The American action taken at the same time as the United Nations action in Korea, in 1950, had nothing to do with the United Nations but was dictated by an American policy of security."

As I indicated earlier, the Secretary of State for External Affairs made it abundantly clear in the house at that time that we were in no way involved in that particular policy. I continue:

"Since that time the forces of Chiang Kai-shek have constantly attacked the Chinese mainland. It seems to me quite unreasonable that under the shelter of American forces the Chiang party should be able to carry on a civil war."

I think that sums up the situation very well. I do not want to say much more, Mr. Speaker. I think I have made my point. The point I am making is that Canada at this time should make it very clear where we stand. I should have liked to see the house yesterday support the statement made here on January 25 by the Secretary of State for External Affairs. I do not expect, of course, that the minister, conducting the external affairs of this country, could rise in his place and say all that I have said this afternoon, but I am in a somewhat different position. I am not responsible for the conduct of external affairs, but I am responsible for expressing the views of what I believe to be a very large section of the Canadian people and, more than that, a very large section of public opinion throughout the democratic world.

I think I have quoted sufficiently this afternoon. I could have quoted the London *Times* and other papers to the same effect but, because we have a Liberal government in power in Canada, I chose to quote from a good British Liberal newspaper, the Manchester *Guardian,* and from the Winnipeg *Free Press,* which is an equally well known Liberal paper in our country.

Finally, Mr. Speaker, I express my wholehearted support of what the Secretary of State for External Affairs said in the house on January 25 in dealing with this particular aspect of international affairs, and plead with our government to use its influence to see to it that a peaceful settlement of the trouble in the Formosa area is negotiated. If the price we have to pay is recognition of a fact, recognition that a government does exist on the mainland of China—even though, as I said, it exists like so many other governments, South American, Spanish, Russian, governments in many parts in the world, because of revolution—

An hon. Member: The United States.

Mr. Coldwell: Someone suggests the United States, but that was a long time ago. I did not intend to mention it, although of course it was not out of my mind that the independent government of the United States was established by means of a revolution. Fortunately those days are past. I do not presume there is any danger of another revolution in the United States at the present time, or in this country, either.

So, Mr. Speaker, I want to ask our government to stand for peace, to stand for negotiated settlement, to stand for the neutralization of Formosa, through the United Nations; and then to endeavour to see to it that the people of Formosa, who are so often forgotten in these discussions, are given at the right time the opportunity to choose their own form of government.

Hon. Paul Martin (Acting Secretary of State for External Affairs): Mr. Speaker, the hon. member for Rosetown-Biggar (Mr. Coldwell) said there was a difference between the role which he plays on that side of the house and the role of the spokesman for the government in the matter of foreign affairs at this time. That affords me the opportunity of saying that he will not misunderstand if I confine myself, in the brief observations I wish to make today, to the basic question he has put this afternoon, and which he mentioned on two occasions yesterday when he intervened in the deliberations of the house.

The government of Canada is anxious that all possible steps should be taken to stop the fighting in the Formosa strait; and it is because of that consideration that I do not want now to say anything that might interfere with important negotiations now going on. I can only reiterate with even greater confidence than yesterday the wisdom of the course suggested for us in the House of Commons at this time. At the moment the security council of the United Nations has this question before it, but discussions have been adjourned pending a reply to the invitation to the communist Chinese government to attend the council sessions.

The hon. member for Rosetown-Biggar said he had heard over the radio at noon that a reply in the negative had come from the so-called Chinese people's republic. By telephone and subsequently by wire, I have been in touch with our ambassador, the permanent delegate at the United Nations, and as a result

I am not in a position to give an unqualified statement as to the nature of the reply that is now, I understand, on its way to the Secretary General of the United Nations. From what has been sent to me in the house, since I have entered the chamber, I would not be justified in making any comment as to the nature of this reply.

I think the situation at the moment is such that in any event one could characterize the news services account as not justifying final observation. Notwithstanding that, undoubtedly, whatever be the nature of the communist reply, the security council, which has adjourned its session to await the reply, will be convoked within the next day or so, and consideration will be given by that body to what course should be followed. I would hope that the security council will still find it possible—I know they will find it desirable —not to lose control of this matter.

Canada is not of course a member of the security council; but our ambassador, the permanent delegate there, is following the deliberations of the council closely, and is in constant touch with its members. The security council has had success in the past in a mediatory or good offices role and we hope, as I am sure all members in the house hope, that it will be able to bring about a cease-fire in this instance, as the Secretary of State for External Affairs pointed out last Friday it has done in a number of other instances.

Meanwhile the prime ministers of the commonwealth countries who have gathered in London have obviously been preoccupied to some extent with the Formosa situation. I have had the opportunity of learning the nature of their discussions, but the house would not expect me at this time to make any further observations about the full character and scope of those discussions, except perhaps to say that there have been some general exchanges of views on the subject at the meetings of the prime ministers. It is not the normal practice at conferences of commonwealth prime ministers to take decisions on questions like this. There have also been some informal discussions among those attending the conference, directed to the same objective as that of the security council, namely the stopping of the fighting.

The view of the Canadian government during the Korean hostilities was that Formosa should be neutralized. This idea of the neutralization of Formosa is still applicable in the present situation. As the hon. member who has just spoken pointed out, the government's view was stated by the Secretary of State for External Affairs on January 25.

Yesterday the hon. member for Rosetown-Biggar made this observation:

> Mr. Speaker, may I just add that the occasion for seeking leave to discuss this matter is that news from London today indicates that a position differing from that taken by our government on January 25 is being taken by our representatives at the commonwealth conference in London.

Later he reiterated this observation, when he said:

> My request is based entirely upon what was said by the Secretary of State for External Affairs in the house on January 25 and the fact that authoritative statements from London today indicate that there has been a change of attitude by our representatives there.

On January 25 my colleague the Secretary of State for External Affairs said this in the house:

> Pending such a decision—

That is, a settlement about the future of Formosa.

> —I think that a strong case can be made for the neutralization of Formosa both in order to prevent any assault upon it by communist forces and also so that it will not be used as a base for invasion of the mainland.

I have read carefully the other observations of the Secretary of State for External Affairs and the text of the speech which last Friday night he made over the network of the national broadcasting system. I think I may say that what he said, in substance, was as follows. A clear distinction must be made between Formosa and the Pescadores and the small islands along the Chinese coast. Formosa and the Pescadores have not been part of the territory of China for a good many years, and their present status is not very clear. The small islands along the coast are, however, indisputably Chinese territory. The views on neutralization expressed in this way do not necessarily apply to the coastal islands. Because of these circumstances it would be a great disaster if incidents in the small coastal islands were to lead to a general war.

These are not my colleague's actual words, but rather my paraphrasing of them. And he went on—again paraphrasing what he said—what is needed at the moment is to stop the fighting, without prejudice to the claims of either side or to an eventual political settlement. If this can be brought about and if the Chinese nationalist forces now on the coastal islands can be withdrawn, the resulting truce might go on for some years, as have similar truces in other parts of the world. In the resulting atmosphere a more permanent settlement might be reached by negotiation or perhaps by an international conference. Such a settlement should, of course, take into account the wishes of the inhabitants of Formosa.

The action which the United States government has taken in the Formosa area does not commit Canada or other countries. Any obligation we might have in regard to the Formosa strait could arise only from our responsibility as a member of the United Nations. Although we are not committed by United States policies, we are certainly affected by them. That is why we welcome the assurances which President Eisenhower gave on January 27 that the United States forces in the Formosa area would be used purely for defensive purposes. We are confident that the United States government will exercise a moderating influence also on the Chinese nationalist government. In connection with the mutual defence treaty which the two governments signed, there was an exchange of notes between Mr. Dulles and Mr. Yeh, the foreign minister of the republic of China, on December 10. These notes provided that the use of force in the treaty area by either power would be a matter of joint agreement except for self-defence in an emergency.

I can assure the hon. member for Rosetown-Biggar and the house that the policy of the Canadian government concerning the Formosa situation has not departed in any way from the principles laid down in the statement of the Secretary of State for External Affairs in this house on January 25, and again in the statement he made over the Canadian Broadcasting Corporation network last Friday. So there can be no doubt about that, I quote now directly from a communication that I have had from the Secretary of State for External Affairs in London, who is there associated with the Prime Minister at this time. His message to me is as follows:

> There is no foundation at all to any report or suggestion that in regard to Formosa the Canadian policy has departed in any way from the principles laid down in my statement to the house on January 25 and in my broadcast of last Friday.

Mr. Knowles: What is the date of that?

Mr. Martin: February 3.

Mr. C. E. Johnston (Bow River): In order to bring the attention of the house back to the discussion which was proceeding yesterday may I read the amendment moved by the Social Credit party during the speech of the hon. member for New Westminster (Mr. Hahn)? It is as follows:

> We further regret that Your Excellency's advisers have failed to take or to recommend the necessary fundamental economic and financial measures to place Canadian producers and workers on a sound and prosperous basis, and to ensure our economy against recurring recessions.

I have read that, Mr. Speaker, because I want you to know that I am going to phrase my remarks as carefully as I can in order to follow the wording of the amendment.

One of the most important problems that faced Canada last year, the year before that and the year preceding that, was the distressing position in which agriculture found itself. That is important to us as a nation. It is important to us as members of this house because the prosperity of Canada depends directly upon the prosperity of our agricultural industry. That is only natural when one remembers that agriculture is the basic industry of Canada. Despite the progress we have made in other lines, agriculture still remains of prime importance.

Agriculture is a big industry. Because that is so it is necessary that we give it due consideration. It is so important that anything which affects agriculture directly affects all other industry in this country. We experienced that last year. It has become more noticeable because of increasing unemployment. Farmers were not able to buy; therefore industry felt a slackening off in business and as a result, we are heading for an economic depression, or some might prefer to call it a recession.

There is growing concern among the farmers not because agriculture has failed—it has not—but because of accumulating surpluses. To me, Mr. Speaker, that is not a reason to become panicky; in fact we should rejoice that Providence has permitted us to have surpluses. If we are in such an economic position that we do not know what to do with our surpluses, surely we cannot blame the good Lord for that. We must accept our own ignorance as being to blame. To me the matter of surpluses has always been something of which we should be proud. I have always taken the stand, and have so expressed myself in this house on other occasions, that what we should have in Canada is sufficient storage capacity so that we could have our supplies stored in, as I call it, an ever-ready granary, one that we could call upon in time of emergency.

It has been the experience of those of us who have lived in this country for any length of time that over a period of time nature pretty well takes care of any surplus. The surpluses we have on hand now would not be more than sufficient to take care of our needs if we were to have a crop failure or, certainly if we were to have two crop failures. Under those conditions we might find ourselves in very difficult straits. Therefore, because we have a surplus we should not become panicky. The thing that is disturbing to the agriculturists is that they have no money. I would not assume that we can blame anybody else but ourselves. We have

fallen down in this house as legislators in our endeavour to provide sufficient money, which is the means of distribution. Of course, everybody in the country is looking to us or more properly to this government for a solution.

I said a moment ago that when we have adverses in agriculture they are reflected in all the industries in this country. The cash registers stop ringing and we have disasters in industry. We have found that condition in the smaller industries. It is now taking place in the larger industries. Last year retail sales in this country have fallen by over $260 million. They fell by a similar amount in 1953, and we shall find that they will fall a greater amount in 1955 unless our policies are changed.

There is another indication that this will take place; that is the tremendous increase in credit buying. One has only to pick up the newspapers to find that industry is trying to develop all sorts of ingenious ways to get people to buy beyond their means, even to the extent of forfeiting their future pay. I noticed in the paper the other day that a television set was offered by a firm in this town. They had what I thought was a rather clever way of getting people to pledge their future earnings. They agreed to put this television set in a person's house without any down payment. On the machine was a money meter, and every time the person used that television set they would put 50 or 75 cents in the meter. At the end of the month the agent would come along and collect the money for the month's payment. That was a rather ingenious form of credit selling.

If we could put an equal amount of energy into trying to find an economic solution to this problem I am sure we would reach some solution. In connection with credit buying I should like to refer to an article which appeared in the Ottawa *Journal* of January 7. It is rather long, and I shall read only two short paragraphs as follows:

> Consumer Credit at All-Time High of $1,885,000,000
>
> The amount of money Canadians owe for the things they buy on credit has reached an all-time high.
>
> The Bank of Canada estimates the outstanding consumer credit bill rose to a record $1,885,000,000 at September 30 last, an increase of $19,000,000 from the previous quarter and a jump of more than $100,000,000 from the previous year.

If we follow the same trend it will not take much imagination to see what is going to happen to our business concerns. In 1954 there was a total of $1,885 million of credit buying, which does not take into consideration any of the money loaned through the farm loan board or under the National Housing Act. If those amounts are added you have a colossal amount of credit buying. It seems to me that should be sufficient warning for us to encourage, even to demand, that this government take drastic steps in order to make it possible for the farmers to realize something as a result of their labour. These are forerunners of disaster which cannot be denied.

If we look at the farm income for 1954 we find that it was $2,408,600,000. Things are not improving. We must recognize that in 1954 there was an income drop of over $300 million. That was the estimate given in a report to the federal-provincial agriculture conference held not long ago. In 1953 net income was down 18 per cent from 1952, and 21 per cent from 1951. In 1954 net farm income was down 12 per cent from 1953. There has been a continually decreasing farm income. In three years there has been a decrease of over 40 per cent in agricultural income. If we recognize that agriculture is the basic industry of this country it takes no stretch of the imagination to see what is going to happen unless something is done.

I suggested a moment ago that any slackening off in the income of agriculture will be reflected in business conditions in this country. I have in my hand the *Monetary Times* of December, 1954, a very reliable financial paper, and speaking on this matter they say:

> The rate of business failures in Canada is continuing its post-war rise, but still has a long way to go to match pre-war figures, it is indicated in Dun and Bradstreet's report for the first nine months of this year. Up 42 per cent from 1953 figures, failures in the first three quarters of 1954 reached the 1,024 mark.

And again:

> This factor is reflected, too, in the rate of increase of liabilities involved in failures reported. At $8,479,000 in the third quarter they are up nearly 13 per cent, but at $41,238,000 for the nine-months period are up 106 per cent. This would seem to indicate that bigger firms with greater liabilities are being involved, suggesting the shake-out of smaller businesses has been completed.

It would seem to be clear from that report that small businesses have already collapsed, and now the axe is about to fall on some of the larger businesses in this country. Surely these signs cannot be ignored, and the government is bound to take these matters into consideration.

There is another matter I must draw to your attention, a matter which has been referred to on one or possibly two occasions during this debate. I refer to the position of our farmers in respect to the Crowsnest pass freight rate agreement. There have been one or two who have sponsored the case of the

big railroads in an endeavour to chisel the western farmer out of his rightful claim in regard to this agreement. Some speakers in this house have taken that attitude, along with the president of the Canadian Pacific, and have gone so far as to quote Chief Justice Sloan.

An hon. Member: Why not?

Mr. Johnston (Bow River): I will tell you why not in a minute; just keep your shirt on. They seem to think that because Chief Justice Sloan, who was investigating the dispute between the railroads and the unions in regard to contracts, found it to his convenience—why I can only guess—to go beyond his terms of reference and refer to the Crowsnest pass agreement, saying that the low rates under that agreement created a distorted and unbalanced freight rate structure, they should quote him. It would appear that he was giving that as one of the excuses why the Canadian Pacific was not able to pay a higher wage to its workers. With all due respect, it does seem to me that Chief Justice Sloan would do better to keep his mind on his own business rather than going into something with which he had no concern.

The president of the railway, together with some hon. members of this house, particularly the hon. member for Kootenay East (Mr. Byrne)—the hon. member has been interfering with me when I have been speaking, and I think I should say who he is so the record will be clear—seem to be doing everything within their power to create an adverse public opinion against the western farmer.

An hon. Member: Oh, nonsense.

Mr. Johnston (Bow River): They claimed that this Crowsnest pass freight rate agreement was unprofitable to the railroad, that it was outdated and therefore that some change should be made. Of course that is not true. The statements which have been made in that respect are not borne out by the facts. For a long time the Canadian Pacific has been endeavouring to solicit support from any direction in order to build up adverse public opinion against the western farmer. It was not long ago that we had a debate in this house in connection with the transcontinental rate. We in western Canada were allowed what was called the one and one-third rate. That meant that we in Alberta could get our freight moved to that province by paying 33⅓ per cent more than anyone else in Canada.

An hon. Member: Scandalous.

Mr. Johnston (Bow River): It certainly was scandalous. I did not hear the hon. member for Kootenay East (Mr. Byrne) criticize that at all. They have claimed that the Canadian Pacific was not properly compensated for the construction of that pass. It should be remembered, Mr. Speaker—and I do not recall the hon. member for Kootenay East giving us these facts—that when the Canadian Pacific undertook to build that railroad they were given a subsidy of $3,404,720. Then as a further subsidy to offset any losses which might occur they were given 250,000 acres of land, together with the oil and mineral rights. The oil and mineral rights alone have amounted to millions of dollars, and there is no saying how many more millions the company will derive from that property as the result of that gift.

It should not be forgotten, either, that only a year or so ago this government gave the railways a subsidy of $7 million a year to compensate them for any loss in handling freight north of the great lakes. In all, I feel it can be fairly said that the railways of this country have been very generously treated. In fact they have been so generously treated and their revenues are up so well—if you consider all the revenues which they receive from their different enterprises—that they do not need to interfere now nor at any time with this Crowsnest pass agreement. I am in hopes that the new Minister of Transport (Mr. Marler) will not be as easily influenced by railway propaganda as was the last minister of transport.

Speaking in this house about a year and a half ago I made a prediction, Mr. Speaker, and I feel I should draw it to your attention now. I never claimed to be a prophet, but this prophecy came true. I said then that the minister of transport was going to be relieved of his job and given a greater reward; and that has come to pass. He is now chairman of the St. Lawrence seaway authority. I am not questioning his ability to fill that position at all. I say without fear of contradiction that he was one of the best supporters the Canadian Pacific and Canadian National had in this country. It did not seem to matter whether or not the interests of the ordinary man were in the way.

I should like to refer to another aspect of agriculture, and to the way in which I feel this government may be able to be of some assistance. I believe we should have a definite support price for agricultural products, not because of any situation in which we find ourselves right now, although that would be sufficient argument, but because this government promised such support to the farmers of this country. We all recall quite well that during the war the government agreed to see to it that the farmers would not lose in the long run because they were forced to take

controlled prices at that time. It is well known that because of the controlled prices of agricultural products in Canada during the war, particularly wheat, Great Britain was able to give her people cheap bread. It will be recalled that during the same period western agriculturists were once again asked to finance low cost bread for our own Canadian people. This is the only instance of which I am aware where one particular industry in a nation was asked to subsidize low cost living for the rest of the people in that country.

The Minister of Agriculture (Mr. Gardiner) assured the farmers of this nation that they would not lose because of that. It is only right, therefore, that the government should honour that pledge and institute a complete policy of agricultural prices support. It is true that shortly afterward the farmers were given $65 million to compensate them for a loss of $350 million. It must not be forgotten, either, that there was quite a debate at that time, and it was the Conservative party that refused to vote that $65 million for the agriculturists of western Canada.

Then, too, I believe the government should approve the suggestion made here last year by the hon. member for Acadia (Mr. Quelch), which took the form of a resolution in these words:

> That, in the opinion of this house, the government should take into consideration the advisability of enacting legislation at this session of parliament to provide for a system of approved farm storage under which the wheat board may make advances to farmers on grain held on the farm.

As I said a moment ago, the situation in which the farmers find themselves is not the result of too much grain but is the result of the fact they have not received the money for the grain they have grown. I recognize immediately that there has been some difficulty in the sale of that wheat. There should be no difficulty, however, in the way of the government making advances to farmers for grain in approved storage on the farms. I would go so far as to say that the government itself should make these advances through the Bank of Canada, perhaps with the assistance of the wheat board. If the government took advantage of this suggestion they could certainly give the farmers loans at a very low rate of interest.

I feel, too, that the government could make quite a few tax cuts in order to give the farmers and others some relief. The taxes being extracted from the consuming public of this country put the people in a position where they can no longer buy the goods that are being produced. This is affecting not only agriculture but all the other industries in this country. I would suggest that the income tax exemption should be set at $1,500 for single persons and at least $3,000 for married persons. The government might consider also the elimination, in part at least, of the exorbitant excise and sales taxes now being imposed upon the people of this country.

Let me turn my attention for a few moments to another aspect of the matter which needs some consideration. I am still dealing precisely with the amendment which I read a moment ago, Mr. Speaker. I want to say a word or two about the unemployment problem. This question has been dealt with before, but I feel it needs repeating. In the speech from the throne the government made reference to unemployment as being of a regional and seasonal nature. Of course we all know that the government was somewhat ill-informed on that occasion, because neither then nor now could unemployment be termed regional or seasonal. Even if it were, it would be so important that this government should take some steps to see to it that no one was in dire need in a country with such vast wealth as we have. It was not so long ago that the Prime Minister (Mr. St. Laurent) made a plea to labour to knuckle down and produce more. They did that with such efficiency that they have now produced themselves into the soup kitchens. They have been producing so much that industry cannot sell it, and as a result they have had to lay off men. These men are now unemployed.

It is well to remember that 75 per cent of the people of this country are earning less than $3,000 a year. In the light of that fact we can readily understand why the standard of living of the majority of the people of this country is not too high. I am not exaggerating when I say that at least 50 per cent of the people of this country are living on less than $2,000 a year, and that is pretty low.

We realize that their standard of living is not too high. There is only one reason the people of this country do not have a higher standard of living. It is that they have not the purchasing power with which to buy the goods they desire. It is not a case of getting more jobs. It is not a case of what the Prime Minister said a year or so ago, "Get out, work harder and produce more". They have worked so hard that they have worked themselves right out of a job. Surely that is an economic fact that even the most elementary student can grasp.

An hon. Member: Oh, we have heard that before.

Mr. Johnston (Bow River): I hear one hon. member say, "Oh, we have heard that before". I do not know where that remark came from, but let me tell him this. That is exactly the mental attitude that was taken during the hungry thirties, and the same situation resulted. We dare not sit back on our haunches and say, "Oh, we have heard that before", when we have thousands of people going hungry in this country. It may be said, "Oh, maybe there are not so many as that going hungry". Those who say that had better look to the facts and find out what they are before making such remarks. Right here in Canada, down at Sault Ste. Marie on July 14, 1954—and this was not seasonal nor regional—we had this situation, according to the Calgary *Albertan:*

> Claim Unemployed Close to Starvation
>
> Sault Ste. Marie—Two aldermen said there was so much unemployment in this city that some persons are literally starving because they have no money to buy food.
>
> Alderman King said he has received 588 separate appeals for assistance, including "some cases of actual starvation".

Then we have someone in this house with the audacity to say, "We have heard this before".

Mr. Nixon: I rise on a point of order, Mr. Speaker. I happen to be the member for that riding, and I want to say that there is no one starving in Sault Ste. Marie.

Mr. Johnston (Bow River): The hon. member had better go and tell that to his alderman. I cannot see any point of order there, Mr. Speaker.

Mr. Nixon: I agree there is unemployment there, but there is no one starving in Sault Ste. Marie.

Mr. Speaker: Order.

Mr. Johnston (Bow River): I hope you are not counting these interruptions in on my time, Mr. Speaker. I would hesitate to contradict Alderman King. The hon. member had better see his alderman down there and see what is the matter.

An hon. Member: Rather weak.

Mr. Johnston (Bow River): However, I would believe that statement.

An hon. Member: He probably talks too much too.

Mr. Johnston (Bow River): Maybe so, Mr. Speaker. We will just assume for the moment —and I use that word advisedly—that what the hon. member has just said is true. But let me turn to another publication that just came in. It is dated January, 1955, and comes from the Canadian Welfare Council, a widely different source. They say:

> Appeals by the Salvation Army in North Bay "for donations of soup bones, vegetables, and bread to feed transient men and their families", the reintroduction of used clothing drives in Windsor, the opening of soup kitchens in Vancouver, and similar reports reaching the Canadian Welfare Council in recent weeks from many parts of the country, are evidence of the fact that there are still a great many unemployed workers in Canada whose essential needs are not being met.

Then down further they say:

> The demoralizing effect of unemployment on family life is a social danger we cannot ignore, whether there be 1 per cent or 10 per cent of the labour force out of work and without any source of income. The least the community can do is make sure that no unemployed person is allowed to be destitute.

Then down a little further they say:

> The noticeable increase in transients reported by our member agencies from coast to coast is a reflection of this unfortunate situation.

I suggest that this situation is not seasonal and is not regional. They are appealing for soup bones and used clothes. That situation is not in keeping with our ability in this country to produce goods and services. We have that condition existing at this time.

Let me point out to you that the circumstances are different entirely from those that were in existence during the 1930's. We now have unemployment insurance. Just the other day we amended the Unemployment Insurance Act in order to increase the supplementary benefits. We also have the family allowance, which was not in vogue during the hungry thirties. We also have the universal old age pension, and we have increased public works. The other day the minister told us that a greater number of housing starts were made this year than ever before. Despite all these things assisting in the distribution of purchasing power—and I admit that—we have more registered unemployed in this country now than we had during the hungry thirties.

An hon. Member: Oh, oh.

Mr. Johnston (Bow River): We have more registered unemployed. According to the December 7 national employment service statement, at that time there were 362,678 registered. Those are the ones who are eligible for unemployment insurance. Then, according to the dominion bureau of statistics, the number of unemployed was 247,000. Those also are the ones who are registered. But according to the Canadian Congress of Labour there are 550,000 and by March they say there will be over 600,000. That is their estimate, but they were not so far out last year when they gave an estimate of what

unemployment would be at that time. I therefore think it is fairly safe to assume that their prediction is fairly close to being right.

Mr. Campbell: What was the figure in the thirties?

Mr. Johnston (Bow River): In the thirties I think the figure for those registered and others was about half a million. But it should be pointed out again that these people are unemployed during a time of so-called prosperity. As the welfare council points out, the number does not make any difference; if there is only one unemployed person in this country who is destitute something should be done in order to see that that family does not suffer. Particularly is that true, Mr. Speaker, when we have in this country so many goods that we cannot dispose of. When we have a surplus of almost everything, nobody should be in want.

From what I have pointed out to you, Mr. Speaker, it would seem clear that this country is in need of increased purchasing power. I am not at the moment going to enter into an argument as to the way in which that increased purchasing power can be obtained. Social Credit have what they believe to be the solution for the difficulty, but they are not the ones who are burdened with the responsibility of seeing that purchasing power is put in the hands of the people to buy the things that are being produced and that cannot be sold. That is the responsibility of the government. If they cannot discharge that responsibility, then in due course the people will have to take what action they deem to be necessary.

It should be clear that whenever there is this economic downtrend, the government needs some sort of mechanism in their policy which would put purchasing power in the hands of the people, and that purchasing power should become effective demand, so the people can buy the goods which are being made but which cannot be sold. How they are going to do that is their business; but it should be understood—and I do not think anybody will contradict this statement—that the act of buying makes jobs. Whenever you get the public in the position where they cannot buy, then you just cannot give jobs. When industry cannot sell the goods they are producing, then of course industry must close.

In my judgment it is not proper to blame private enterprise for the unemployment we have amongst us today, because private enterprise has excelled itself. It has so excelled itself that it is producing goods that cannot be sold. Therefore it must let the men go. Even the labour unions themselves recognize that fact. Let me refer to the Canadian Congress of Labour submission to the government on November 12, 1954, when they had this to say at page 4:

> What we ought to do is put money into the hands of people who will buy what we can already make and can't sell.

That is the crux of the situation. It is up to the government to see that that is done.

There are other matters I should have liked to talk about today. I wanted to speak about the coal industry, an industry that is indeed sick and needs something done about it. Their difficulties should not be shrugged aside as the minister did a year or so ago, when he said he knew that the coal mining industry was in a bad position but that it would do them good to have a little squeeze. Well, they are certainly being squeezed. If that was the solution they should now be on the road to recovery, but unfortunately that was not the solution. I want to speak about coal but I cannot do so on this occasion because my time will not permit.

On another occasion—and I shall take advantage of my privileges in this house to do so—I want to speak about one of our greatest national parks in Canada, not one of the greatest but the greatest as statistics will indicate; that is, Banff national park. I want to speak about how the government has neglected to do what should have been done for the greatest national park in Canada. I shall take advantage of the privileges that are mine in this house on another occasion, and I shall continue to put forward arguments for both these interests.

Mr. Auguste Maltais (Charlevoix): Mr. Speaker, I am very pleased to associate myself with my colleagues who have taken part in this debate in extending congratulations to the mover (Mr. Leduc) and seconder (Mr. Carrick) of the address in reply to the speech from the throne. There is one matter with which I intend to deal briefly before coming to the main remarks I wish to make on this occasion. As a Canadian born in the province of Quebec, I find it rather hard not to express my regrets at the unwelcome remarks which have been made in the house by a few members of the C.C.F. party against the province of Quebec to which I have the honour to belong and where I live.

It is not my intention to repeat what other members have already said in reply to the unfair reflections that have been made on my province. Too many serious Canadians from all parts of this country have devoted their lives to make Canada great and united for me to use at this time, or at any time, unworthy remarks in answer to the few who have seen fit to promote their publicity by trying to picture the province of Quebec as a threat to Canadian unity or as a land ripe for communism.

As a young Canadian with little experience in the House of Commons I was sorry to hear some of the comments uttered by members of the C.C.F. party, for I was brought up and educated by people who taught me all along to love my fellow citizens of British Columbia just as well as my fellow citizens of the maritime provinces. Furthermore, I am proud to share the views of Canadians imbued with the spirit of fair play and freedom, and for this reason I can say that in spite of different views expressed in the house lately Canada will travel the path of glory, freedom and prosperity if the two great races which form the majority of the population of our country have respect for one another.

I once heard a remark which may very well apply to some of the members of the C.C.F. party. A farmer in my riding told me one day that some people specialized in demolishing what others had built or tried to build. If you want to destroy a monument or tear down a building which has been a landmark you can call on practically anyone, as demolishing is an easy job. On the other hand, if you want to erect a monument or a nice building you have to call in experts such as architects, engineers and skilled labour. Do you not think, Mr. Speaker, that the contrast between the two is greatly similar to some of our friends in the C.C.F. group?

(Translation):

I will now speak of shipping, and of some of the related problems in the hope of bringing about some change in the present situation.

I shall not deal today at length with the complex and difficult problem of deciding whether Canada should have a sea-going merchant navy, but I shall limit myself to coastal shipping on the great lakes and the St. Lawrence.

Nobody can deny the vital part played by water transport in a country in the geographical position of Canada, whose limits extend as far west as the Pacific ocean, north to the Arctic ocean and east to the Atlantic ocean. In addition, it is connected with the latter ocean by a waterway extending over some 2,000 miles, if we include the great lakes, along which are located, more particularly from Montreal to Port Arthur, the greatest industrial centres of the country.

That long waterway has undoubtedly been the main factor in Canada's economic development and it continues to facilitate the unprecedented industrial expansion we have seen for some years past. It is rather difficult to assess in terms of dollars and cents the volume of products shipped by water, from the great lakes to various points on the St. Lawrence and outside the country, but a fair idea of the importance of that waterway can be gathered from the fact that more ships pass through the Sault Ste. Marie canals in seven months than through the Suez canal in a whole year.

According to the statistics I have obtained, more than 200 million tons of goods were shipped through that waterway in 1953. From a further breakdown of the statistics, showing a comparison between the present volume of traffic and that of preceding years, it appears that the shipping activity on the St. Lawrence gives a good idea of our country's economy.

In 1932, at the worst of the depression, only 3·5 million tons of ore were shipped through that waterway, while in 1953 nearly 95 million tons passed through it.

Although it is hard to get exact percentages regarding the nature of the products usually shipped, certain facts indicate that the tonnage of goods shipped may be divided as follows: grain comes first among the goods shipped, accounting for 36 per cent of the total; then oil and related products, with approximately 19 per cent. Pulpwood accounts for 8 per cent, coal 6 per cent, lumber in general, except pulpwood, 4·5 per cent and iron ore, about 2·5 per cent.

Those few figures pertaining exclusively to water transport on the great lakes and the St. Lawrence give us a good idea of the importance of coastal shipping for the economy of our country, and give us an insight into the expansion that will follow the deepening of the St. Lawrence and into the developments it will mean for the north shore.

Not only will that activity of Canadian shipping in the vital field of transport increase the number of ships sailing on the great lakes and the St. Lawrence shipping but it is part of a national industry made up of skilled labour, experienced crews, technical apparatus, shipyards and tremendous capital investments.

It is therefore not surprising, Mr. Speaker, that the seamen of my constituency, situated on the north shore of the St. Lawrence, have expressed their fears and apprehension at the difficulties which seem to be increasing as a result of our legislation and of international agreements. The deepening of the St. Lawrence, which is now underway, will open up the whole great lakes district to unlimited shipping and will give access to the most industrialized part of the country. That is why Canada's merchant marine is getting more and more apprehensive, and the position of our ship owners will become unbearable unless more adequate measures are taken to help them.

The shipping act of 1934 contains nearly all the necessary provisions for the protection, control and regulation of Canadian ships. Certain international conventions, to which we have become a party, supplement that legislation. I do not hesitate to say that much of the trouble now experienced by our merchant marine results from the legal freedom enjoyed by the British merchant marine under the 1931 convention pertaining to the British commonwealth merchant marine, to compete here in Canada with our own ships for the transportation of goods.

At present, ships of all nations have access to the navigation facilities of the St. Lawrence, as far as the great lakes, but Canadian coastal trade is exclusively reserved to ships of British and Canadian registry.

Thus a ship built in Great Britain and flying the British flag can engage in coastal trade in Canadian inland waters. In other words, that ship may carry goods from port to port within Canada. This freedom of the British merchant marine to engage in coastal trade in our home waters is such as to place our own inland waters shipping in a difficult position. I am not speaking here of our high seas merchant fleet, since it is now practically non-existent. When a British seaman receives a monthly salary of $80 as against $200 for the Canadian seaman in a similar occupation, it is easy to understand the kind of unfair competition which any ship flying the Canadian flag has to face from her British competitor. Besides, any British built ship is far cheaper to build and repair in British yards where salaries are again far lower than our own. This also adds substantially to the operating costs of a Canadian vessel as against that of a British vessel where the wage scale is far below that of the competing country.

Due to such low operating costs, several small ships of British registry are now plying the St. Lawrence river, and the competition our smaller shipping companies have to put up with in that respect is unfair, because they cannot carry that freight at the same rate.

We are now earmarking millions of dollars for the St. Lawrence seaway so that ocean shipping might more easily reach the great lakes. That project enables us to foresee still greater opportunities for our coastal shipping, and we know already that British ship owners are seriously considering an increase in the competition that we have to meet from their ships along the large seaway that the St. Lawrence river will be a few years from now.

Not later than last year, the inland shipping trade of Canada lost to British ships part of the transport resulting from hydroelectric power developments on the north shore of the river, with the help of Canadian capital.

If this situation is allowed to continue, the sacrifices made by the people of Canada in developing the world's longest seaway within our country will have served to dig the graveyard of what is left of the Canadian merchant marine.

Consequently, I ask the government that governments of all other parts of the British commonwealth of nations be notified with the least possible delay, and under article 24, part X of the convention, that Canada intends to amend the terms of the convention relating to the merchant marine of the British commonwealth and establish certain requirements regarding all coastal trade carried out in Canadian waters by any ship of other than Canadian registry.

Australia and New Zealand have already taken steps to protect their respective coastal trade by providing that foreign vessels would have to pay their crews salary rates in accordance with those already in force in their country, with the result that Australian coastal trade is practically limited to Australian ships.

The United States goes further by limiting that trade to truly American ships, built and registered in the United States.

Besides, our merchant shipping is the only industry to face such unfair competition.

Our aviation is fully protected, and Canada was one of the first nations at the Chicago convention in 1944 to provide for the introduction of section 7 entitled "coastal navigation" and accepted at the international civil aviation convention.

This clause reads as follows:

Each contracting state may refuse to allow an aircraft of another contracting state to pick up passengers or cargo within its own territory and to carry them on a paying basis to another point of this territory.

The clause goes even further, by forbidding any contracting state to make arrangements or conclude treaties with another state, when the advantages and benefits allowed under the agreement are not shared by the other countries on the same basis.

Mr. Speaker, if it were possible to protect Canadian airlines, I fail to understand why our merchant marine could not also be given protection in the best interests of Canada.

(Text):

Mr. George H. Hees (Broadview): Mr. Speaker, the first subject I wish to discuss this afternoon is the need for cabinet representation in that great industrial belt extending from Chatham on the west to Cornwall on the east, then northward for 50 miles from the St. Lawrence river, lake Ontario and the United States boundary.

In reality this area is the heartland of Canadian industry. In it live about three million people, which is about one-fifth of the total population of Canada. Yet there is no cabinet representation for this vast and important area of our country. It is an area that needs representation so that the problems of industry can be brought before the cabinet continuously, and so that the cabinet may be made constantly aware of the problems which industry and those who work in it are facing.

Had that been the case, I am confident the government would not have been making the attempts it is now making to brush off as something merely seasonal and regional the unemployment situation which, last year, month by month averaged 70 per cent more than in the corresponding months of the year before. I make this statement from figures supplied by the minister's department which I have checked and know to be correct.

If this great industrial area was represented in cabinet discussions I believe there is a good chance that the government would be far more inclined than it is today to consider reducing the high commodity taxes many of our goods are carrying; taxes which are helping to price many Canadian goods out of both the domestic and export markets.

I believe there is a very good chance that if this area was represented by a minister who, because of his location in the area and his connection with its industry, was familiar with the problems of industry and the people who work in it, he would be able to explain to his colleagues that the cutting of commodity taxes does not necessarily mean a reduction in tax revenues.

The reduction of commodity taxes makes it possible to sell more goods; and if the correct balance can be struck, the total tax revenue may easily be greater when commodity taxes are reduced than at a time when high taxes are stifling the sale of products, as we see today.

A very good example of that was given to the government a while ago when they foolishly, and over our objections, raised the tax on cigarettes. The minister of finance found that when the tax rose, a lot of people stopped smoking cigarettes, and the sales fell off so badly that the total tax revenue was reduced considerably below what it had been when the tax was lower. The government had to reduce the tax to where it had been before. The sales of cigarettes picked up, and the total tax revenue went back to the higher figure, a figure considerably higher than when the tax was raised.

With that example before us, I hope the government will give consideration to reducing many of our high commodity taxes, because they are playing a very important part in pricing goods out of the market and making it impossible for many of our workmen to work full time. Often those workmen are laid off completely, and that is one of the main causes of the serious unemployment situation which exists, but which the government refuses to face in its true reality today.

Another thing that happens when you reduce commodity taxes is that more goods are sold. You have more people working and earning an income on which they pay an income tax to the government, instead of drawing on the government for unemployment insurance benefits when they are unemployed. Mr. Speaker, there is a lot of plain straight arithmetic which this government has to consider because of the serious situation existing in our economy today. They have to stop pretending the situation does not exist; they have to stop brushing unemployment aside as seasonal and regional, and face the facts and examine this whole problem as an economic one and not as a political one which should be dodged and ducked. This

government owes it to the country to face the facts and come up with concrete, constructive and economically sound plans for getting at and curing the basic causes of unemployment and lost markets.

It seems strange to me that with the many Liberal members in the house who live in the area that I have described, it is impossible for the Prime Minister to find one whom he considers capable of holding down a cabinet post. When we form a government we shall have no trouble at all forming an excellent cabinet to run the country far better than this government is running it. It seems strange that the Prime Minister is having this difficulty in picking a cabinet minister to represent an area which is, as I say, the heartland of Canadian industry.

In that area about one-fifth of the total population of Canada live. There is one member in this house who, as hon. members know, has had the experience of being the mayor of one of our large industrial cities. He has had the experience of being a cabinet minister in a Liberal provincial government of one of our large provinces. He has been the chairman of the defence expenditure committee, and is now the chairman of the banking and commerce committee, the most important committee of this house. I ask the Prime Minister—I wish he were here, but I hope he will give us an answer when he comes back—why it is, if he considers a member good enough for such important positions as I have just outlined, he is not capable of holding down a position in the cabinet.

In refusing to appoint a cabinet minister from inside this house, as the Prime Minister has done twice within a year, he has in effect said to the 150 members of his party who are not in the cabinet: You just do not have the ability to sit in my cabinet and I must go outside and choose a minister from outside of parliament. In effect he has said to them: I cannot have confidence in you. And twice, as has been said today, he has had to go outside. I think it is a pity.

Mr. Bennett: Is that what you are going to do with your new leader?

Mr. Hees: When we form a government we shall have a great deal of difficulty in deciding from among our very able members who should form the cabinet. That is what our problem will be.

Mr. Bennett: You will be an old man.

Mr. Hees: I again ask the Prime Minister to reconsider his refusal to give this important industrial belt of Canada, in which one-fifth of the population of the country live, and in which is concentrated a very important segment of the industry of this country, cabinet representation so that the problems of industry may be brought continually before the cabinet in its discussions and that we can start to have a plan laid before the country of how we are to combat lost markets and rising unemployment, which we are experiencing today, instead of dodging the issues. Let the cabinet face the issues and lay before the country a plan instead of its usual policy of hope and grope.

I should like to draw to the attention of the house a matter which indicates to me the attitude of the government toward people for whom it has a direct responsibility. A short time ago the wife of one of my constituents, who is a leading aircraftman and has gone overseas to serve his country, wrote to me and asked me if I would approach the government and obtain for her a marriage allowance and separation allowance which she understood was due to wives of servicemen who serve their country overseas. I wrote the minister and asked if he would have the matter looked into. A few days later I received his letter and I should like to read it to the house because it is very interesting. He said:

> I wish to refer to your letter of November 23 concerning (one of your constituents) and the possibility that she might be entitled to dependents' allowance by virtue of the service of her husband with the Royal Canadian Air Force.
>
> Present regulations provide that a married airman, 21 years of age or over, may be paid a marriage allowance, provided he assigns at least $60 a month of his pay to his wife. This amount may be increased voluntarily. However, there is no provision for allowances for children.
>
> (The LAC mentioned in your letter) will not become 21 years of age until December, 1956 and, therefore, he has no entitlement to marriage allowance. Furthermore, as he is not entitled to marriage allowance, he has no entitlement to separated family's allowance by reason of his posting overseas.
>
> There are provisions within the regulations, however, for the voluntary assignment of a man's pay in favour of anyone he may wish to designate. The amount of this assignment is usually left to the man to work out with his wife. Inquiries of (the L.A.C.'s) unit have shown that he has now voluntarily assigned $80 a month in favour of his wife.
>
> In view of the foregoing, I trust this matter will now have been concluded to the satisfaction of everyone concerned.

The wife of this man is expecting a child. I advised the minister of this fact when I sent along the woman's letter to him so he could be completely advised of all the facts in the case.

She must stop work at the end of this month because her baby is expected in April. Between the end of this month, when she must stop work, and the time she has her baby, she will have $2.58 a day on which to live. From then on she will get an additional

16 cents a day through children's allowance, so she will have $2.74 a day for food, clothing, shelter, doctor's bills and all the necessities of life she will have to provide for herself and her child. The minister knew of these facts when he added the last paragraph to his letter in which he said:

> In view of the foregoing, I trust this matter will now have been concluded to the satisfaction of everyone concerned.

It is obvious that the government is satisfied with this arrangement; with the fact that this woman will have $2.74 a day with which to bring up her child, but I wonder if the minister or any other member of the government would be willing to go overseas and leave his wife and child to get by on $2.74 a day. Of course the answer is that he would not. But by the minister's own letter, by his own expression of opinion, this government is perfectly willing to see somebody else do it.

It is obvious to anyone in this house that this serviceman's wife cannot bring a child into the world on $2.58 a day, neither can she bring up that child on $2.74 a day, but that is what the government says she must do. Perhaps it is easy to understand that, when you realize that this government does not think in terms of human beings who have stomachs to feed, and who have bodies to keep warm, and who must provide for sickness. This government simply thinks of people as names in a file whose needs do not require attention unless their numbers are sufficient to cause trouble at electiontime.

The minister announced in his kindly way that arrangements have been made to have part of this leading aircraftman's pay assigned over to his wife. If this man was 21 years of age or over he would be assigning $60 instead of the present $80, and this would be in addition to the marriage allowance of $91 and the separation allowance of $30 which the wife would be receiving. This would give his wife $181 a month instead of her present $80 and the husband would be able to keep $47 instead of the $27 under the present arrangement.

By the declared policy of the government in this matter, the government expects men who are in the service and legally married to postpone having children until the government decides in its great wisdom that they are old enough to have children. If it was not the government's intention to make this decision for the young members of its armed forces, it would have made the same provisions for them as it does for couples where the man is over 21 years of age.

During the past war the government realized and recognized its responsibility toward the wives and dependents of servicemen, irrespective of age. It provided allowances for wives and children, even common-law wives. There was no question of age, there was no question of whether a man was legally married. If he had a common-law wife she was provided for as well.

Now the government turns around and by an arbitrary decision says that even though a man is old enough to serve his country, is old enough to go overseas, is old enough to take a chance of being killed or maimed, until he is 21 years of age he is not old enough to get married and have children. He is old enough to fight but he is not old enough to become a parent. Of all the arbitrary decisions I have ever heard, that is the worst! I ask by what power does this government or any other government say that a man who is of a legal marriageable age cannot get married and raise a family? Who determines what is the ideal age?

By law a man can be married when he is 18 years of age and can raise a family, but the government says that if he serves in the armed forces, if he goes overseas and takes a chance of being involved in a hot war and being killed, he is still not old enough to become a parent, to have children and raise a family until he reaches the arbitrary age of 21 years. I never heard anything more ridiculous in my life.

By withholding marriage and separation allowances from couples where the husband is under 21 years of age, the government is in effect saying to these servicemen, "It is up to you to see that you do not have children until you are 21 years old." When the government tries to dictate the most personal decision to be made in a man's life, I say that it has reached a new high in autocracy.

Only a short time ago the Minister of Labour (Mr. Gregg) told the unemployed of this country through another arbitrary decision that until January 1 they did not have the right to become cold, hungry, sick or wet; that they must somehow or other go into hibernation until that magical date of January 1, decided upon by the government in its great wisdom. After the date of January 1 they would be allowed to eat, clothe themselves and get warm for 3½ months, and then on another arbitrarily decided date, April 15, they must stop having human feelings and must again go into hibernation. This government seems to try to decide everything for everybody. It shows how absolute a bureaucracy and autocracy can grow.

I think it is obvious that a man should not be asked to go overseas and leave his wife to bring a child into the world on $2.58 a day, and to know that when his child is born, his wife and child will have only $2.74 a day on which to live. I repeat, the minister had those facts before him when he wrote in the last paragraph of his letter:

> In view of the foregoing, I trust this matter will now have been concluded to the satisfaction of everyone concerned.

I think it is becoming more clear every day by the attitude of the government in matters like this; the attitude of the government toward the unemployed; the attitude of the government toward people; that this government, as I said before, does not think in terms of human beings, that it thinks in terms of people simply as names in a file, people who are on the books, people who must be paid attention only when they become dissatisfied in sufficient numbers to bother the government at electiontime.

When I asked the Minister of Labour about people being cut off the unemployment rolls on April 15 he said: "Oh, well, there are not many of them by that time." Everything is quantitative with this government. If 100,000 people are suffering, well perhaps that is not too bad, but if they turn into 500,000 then they might bother the government at electiontime and perhaps they had better do something about it. I think it is pretty clear that it is about time this country became governed by people who are a lot closer to the needs and aspirations of the people who elected them. As there is no indication that this government is approaching the people, and there is every indication it is getting farther and farther away from them, getting more and more out of touch with them, I think it is about time this government was replaced by people who are far closer to the needs and aspirations of the people of this country. I refer, of course, to the members of the official opposition.

Mr. Harold E. Winch (Vancouver East): I appreciate the fact, Mr. Speaker, that under the procedure of this house an hon. member may speak more than once during the debate on the address in reply to the speech from the throne. Officially, of course, we are now discussing the subamendment moved by the hon. member for New Westminster (Mr. Hahn). Unofficially, of course, we can speak on any matter that comes to our mind. However, because we are officially discussing the subamendment I want to say that I have listened with a great deal of interest to the remarks of the hon. member for New Westminster. I have read with a great deal of interest and studied the amendment that he moved. I am, therefore, going to vote for it. I cannot do anything else.

The subamendment could be put in this way. Are you in favour of better weather in Ottawa? I certainly am. Now, economically and politically, that is the meaning of the amendment moved by the hon. member. I would say the amendment is one that you cannot vote against. It is something indefinite. I am going to vote for it because if those principles were put into effect there might be some improvement. It is in no way specific in its terms. My friend on my right says, "according to his ideas." Socred ideas are not specific in the amendment. The wording is general and that was known when the amendment was moved.

I want to speak on three points this afternoon, Mr. Speaker, two of which have been already mentioned. Although these two have been raised, I feel it is important that those who support these two suggestions make their position known, because if only one person speaks perhaps no attention will be paid to him. First of all, I want to speak on a matter that was mentioned in this debate and this afternoon was the subject of questions, that is the financial contribution of the federal government to a bridge over the north arm of the Fraser river. It has become known as the Marpole bridge, but actually that is a misnomer. I cannot understand the position of the federal government on this issue.

On going over the records I find that on October 15, 1946, a committee was appointed to examine into the question of a bridge in that area. The committee was composed of seven engineers, including two dominion government engineers, and had representatives from the city of Vancouver and province of British Columbia as well. On November 14, 1947, this committee, which I repeat included two dominion government engineers, made a report recommending a new bridge but not at the present location of the Marpole bridge. There have been developments and negotiations since 1946. I, personally, was a member at some of the conferences held, at which at least one of our present cabinet ministers was present. We were given to understand that we would be assisted.

I have been reading with a great deal of interest some of the statements that have emanated from the Department of Public Works in Ottawa during the past few months. They are very contradictory. They would lead one to believe that the government had no idea of the plans for the bridge, and that

no application was made by the British Columbia government for financial assistance. I was interested in this matter, so before I came to Ottawa I went to Victoria. I found that on March 25 of last year the Department of Public Works was sent all the plans of the proposed new bridge. I found also that on May 11 a letter was sent to the Minister of Public Works (Mr. Winters) requesting federal assistance up to one-third of the cost of that bridge. I am sorry that the Minister of Public Works is not in his seat, for I have on my desk a copy of the report of the 1946 committee as well as a record of the letters sent by the provincial government in March and in May.

What I am trying to do, sir, is to continue the remarks I made when I spoke first in this debate to the effect that the federal government has a responsibility for the major highways, byways and bridges in a province. There can be no question but that this bridge is required. There can be no question but that it serves one of the major international airports of the dominion. In view of the present international crisis, there can be no question but that the major international airport is Vancouver. Along with other members of parliament from all parties, I attended a meeting of the airport committee in Vancouver prior to the calling of this session. We were told that under no circumstances would the R.C.A.F. recede from its position that the Sea island airport was the station for the R.C.A.F. Therefore from the point of view of a highway proposition, a defence proposition and an R.C.A.F. proposition there is a major interest on the part of the federal government in the existence of proper access to that international airport. I just want to add my words to those that have already been spoken, and to the questions that were asked only this afternoon on the orders of the day, urging that the federal government reconsider its position and, in the light of all the circumstances, make a major contribution to the cost of this $10 million new bridge which is now almost under construction, or at least for which tenders have already been called.

There is one other point I wish to make. Unless the federal government does so Vancouver, the third city of Canada, will again be hemmed in by toll bridges. I am not going to say any more on that matter. I spoke on it last session and I am just adding my words to those which have been spoken on it at this session.

On my second point, I again am only adding my voice to those of other hon. members who spoke at this present session asking the federal government to reconsider its policy on the age limit of those who can get a government job. I admit that I am now rapidly approaching the age of 50. Nevertheless, at least my constituents think that I have not reached a point where I am past the age where I can be a member of the House of Commons. Yet, Mr. Speaker, there is no question whatsoever that throughout Canada in industry there is a growing requirement to the effect that you cannot get a job if you are over 45, and unfortunately now it is over 40. I understand there is a similar regulation with respect to employment by the federal government.

I believe that the Vancouver *Daily Province* under date of January 14 had a most interesting editorial which I should like to quote in part. It draws our attention to the fact that in British Columbia—which I think I can safely say is one of the most rapidly growing provinces of the Dominion of Canada and has perhaps the greatest potentialities for future development—in the past few weeks it has been found necessary to form a brand new organization. That organization is being called "Experienced Employables over 40".

This is the first time that I have discussed this matter on the floor of the House of Commons, Mr. Speaker, but it was my privilege to discuss it more than once in the British Columbia legislature. I should like to repeat what I said a number of years ago, and what I still believe to be true, namely that it is wrong for industry or government to ignore the years of training and experience of those who are over 40. I believe it is wrong that the impression should be given abroad, either by government or by industry, that a person is useless after 40. If that were true, there would not be many of us on the floor of the House of Commons, and there would not be any Senate at all. If that were true, the answer is that you must go where it is not true, namely in the Commons and the Senate, and there you can only find one vacancy in the House of Commons and 21 in the Senate. That procedure would not solve the problem at all. May I quote from a part of this editorial in the Southam press and may I say that I agree with it:

> Only in jobs where straight muscle work is needed does the age factor play a big part. But in the machine age "muscle" jobs are not in the majority. This is an era for highly trained personnel, the technicians, mathematicians—skilled workers who can design machines or operate them.

Then it says this, Mr. Speaker, and with this I also agree because upon more than one occasion I have been approached by those under 40 and told this, "Why do you speak on behalf of those over 40? We young men need

jobs". I think the *Daily Province* answers that question very well when in their editorial they said this:

> This isn't a problem that concerns only those who are over 40. It concerns every Canadian, for young men and women who are now looking for their first jobs will one day be 40.

In the last paragraph the editorial also says this:

> We hope the forties will be able to roar loud and long enough to bring this country to the realization that if it isn't willing to let these people work for their living it will have to pay for their keep in discontented idleness.

I am making these remarks, as I said, because I want to support the members of this house who spoke a few days ago in opposition to the government policy and the government lead to the effect that you are useless after you are 45 or after 40. I should like to add my words in support of the contention that this criticism also applies to industry. One's capability of work is not measured by his age: it is measured by his mental and physical condition. There are many men and women who are many years over 40; yes, there are quite a few of us right here in the House of Commons who, I hope, demonstrate that mentally and physically they have a contribution to make.

In conclusion I just want to say, on that one issue, that I sincerely hope it will not be necessary to have, as a complement to the provincial organization now started in Vancouver, a national organization to try to find jobs for those turned down by government and industry because they are over 40 years of age. If they were useless, the Acting Prime Minister (Mr. Howe) would not be sitting in his seat today. Our Prime Minister (Mr. St. Laurent) would not be holding his job today. Ninety per cent of us would not be holding a job in the House of Commons. I hope the government will give some thought to this matter and will give a lead to industry. I hope they will give a lead to industry not only by the enunciation of policies but also by legislation such as some countries of the world have whereby there must be not only a percentage of those over 40 but those who are disabled in the employ of every employer.

I come now to my third point. It concerns a matter that has not been discussed in the house but I desire to raise it in this debate because I feel that it is of such importance that consideration should be given it by the government before they make a reply. I know that I could raise the matter when we come to the estimates but I should like a study made of it. While I was still in Vancouver before the house met I was interviewed by a number of men who were employed by the Canadian government on a weather ship which operates off the coast of British Columbia. The ship is the C.G.S. *St. Catharines*.

Here, sir, is the consensus of opinion of experienced seamen on board that government ship. I was told that the policy with respect to the hiring of men on this weather ship operating off the coast of British Columbia is to engage men with no seagoing experience in preference to men with discharge books proving their ability and conduct at sea. I was told by those who interviewed me that promotion on this boat, at least in the deck department, is by favouritism without regard to experience and ability. I was told, and I am repeating only what I was told by those who met me, that cooks and waiters are constantly placed in seamen's berths and in an emergency would prove not only useless but even dangerous to other seamen and themselves. I was further told that proper types of life jackets for emergency boat work have been considered unnecessary by the local authorities although they were recommended by the master and the officers.

I was told by seamen on the boat that if a conscientious seaman found himself hampered by the type of life jacket supplied by the government in lifting a person or in pulling an oar he would be tempted to disregard the life jacket and endanger himself and others by taking it off. I was further told just before I came down here that all the personnel of the ship are concerned that the first aid facilities available on that weather ship are only of the most elementary nature, that on previous voyages cases of broken bones, acute appendicitis and severe eye injuries had occurred and the only treatment available was aspirin and laxatives.

These men made a recommendation which I want to pass on to the government. The recommendation was that they believed that a great improvement would be made if a fourth officer could be appointed on weather ships whose duties would not concern in any way the operation of the ship but who would give first aid training and proper boat and emergency training to enable the crew to deal with emergencies which might occur at any time during the operation of the ship.

I felt that this interview was important and that I should convey what was said to hon. members and to the government. But it became even more important in the light of a story carried in a Vancouver paper in September of last year which seems to confirm what is taking place on ships operated by the government of Canada. I am very happy that the Acting Prime Minister (Mr. Howe) is in his seat when I am going to refer

to this article. It is my only source of information, although I have tried to check it since coming here for the session.

It is a report by a member of the fourth estate, a member of the press gallery of the House of Commons. When we members of the house speak we speak from our knowledge and with the conviction that what we have heard or read is true to the best of our belief. I feel that the same applies to the members of the press gallery of the House of Commons. Although they may, quite naturally, do a little bit of guessing on occasion, when they are at a particular place and see things they write their reports on the basis of what they have seen, and we can therefore accept them as depicting exactly what they saw.

A member of the press gallery of the House of Commons wrote this article on September 10 setting forth his reactions and views while he was on board the C.G.S. *C. D. Howe* at sea. I am not speaking politically. I am not saying that C. D. Howe is at sea.

Mr. Lesage: You are at sea.

Mr. Winch: He was on board the C.G.S. *C.D. Howe* at sea. What did this reporter have to say? May I state very briefly what he had to say. But first of all let me say that in the article this reporter says that he spent three years in the navy and had deep-sea service as a crew member on a merchantman, as well as considerable time knocking around the British Columbia coast. Therefore he felt that he knew what he was writing about. His account of his three weeks spent on the *C.D. Howe* to the best of my knowledge has never been repudiated or answered by the department of government concerned.

While I have the actual article before me I shall put in my own words what this reporter had to say. He said that, at a time when there were 5,000 Canadian seamen who had been pulled off the high seas, and when hundreds were on the beach in every port and looking for ships, the Canadian government mans its ships with inexperienced political appointees.

Then this report said:

> I hate to say this because she's a friendly ship with a few good seamen aboard, but she's dirty, inefficient and no credit to the blue ensign of the Canadian government.

This is the account of an experienced seaman aboard a Canadian government ship named after the Acting Prime Minister, in which he states very definitely that every year this ship bearing the name of C. D. Howe heads north with a brand new crew of political appointees, the recognized source of government crews. As a man aboard the ship when he wrote the article, he said:

> Smoking is permitted within six feet of several thousand gallons of high-test aviation gasoline and diesel fuel stored on deck.

This was written by an honoured member of the press gallery, written in September and not yet repudiated.

An hon. Member: Did he get back safely?

Mr. Winch: His statement is not repudiated, that he found gasoline on board the *C. D. Howe* was stored under the helicopter landing platform, where it could easily be set off by a crash or fire aboard the helicopter. On board this ship the reporter wrote that discipline is only casual.

And he wrote something else which I cannot understand and about which I would like to have a very careful explanation. He writes that on September 10 all the victualling of the ship was done by the chief steward under private contract, and that he was not required to submit a statement showing his profits or expenses. It states that the chief steward did not have to bid competitively for the contract, and that he could make his purchases of certain commodities as though they were being made for a naval ship of war. In other words, to name only one commodity, he could buy cigarettes without paying the government excise or other taxes. According to those on board he could not have been making less than 100 per cent profit.

I do not wish to become involved in any argument at this moment about bilingualism, but I must point out that the *C. D. Howe* is trilingual—French, English and Eskimo.

As I said, Mr. Speaker, I am quoting from a statement of a House of Commons reporter who spent three weeks aboard that ship—because the article is headed, "Aboard C.G.S. *C. D. Howe* at sea". To quote further:

> The *Howe* is a trilingual ship, a situation which leaves her wide open for panic in case of emergency. The working language of the ship is French and a large part of the crew, including some officers, speak nothing else. Passengers are mostly English speaking. Eskimos speak only their own tongue.

Mr. Lesage: It hurts you.

Mr. Winch: It does not hurt me at all. I am raising a very important question, and it is not a matter of French or English. If the hon. member would be as honest as I am there would not have been some of the misunderstanding that has taken place within the last two weeks. I am quoting from the article written by this reporter who states that among those on board the ship there are

those who speak French, those who speak English and those who speak neither, only Eskimo.

Mr. Lesage: What do you wish us to do—fly the Eskimos, instead of taking them on the ship?

Mr. Winch: Would you mind if I continue reading this report? Perhaps I should begin again. It states:

> The *Howe* is a trilingual ship, a situation which leaves her wide open for panic in case of emergency. The working language of the ship is French and a large part of the crew, including some officers, speak nothing else. Passengers are mostly English speaking. Eskimos speak only their own tongue.
>
> Little seems to have been done to anticipate a language crisis. Instructions, for example, for operation of good but complex fire fighting equipment are in English which is unintelligible to most of the crew. With high-test gasoline and explosives aboard, there isn't much time for translation.
>
> There are no emergency instructions in Eskimo in either the Eskimo quarters or the ship's hospital. Most Eskimos are travelling in a ship for the first time and would have little idea of what was happening in an emergency. Eskimo is spoken only by a handful of "old Arctic hands" aboard, mostly officials who would not be competent to issue emergency orders.

It is not a question of English, French or Eskimo. According to the writer of this report there is confusion, and no translations. I have spoken personally to the man who wrote this article who told me that officers give instructions in one language, and they could not be understood when he was giving them because of the language difficulty. He also told me that he actually saw an Eskimo sitting on top of a drum of gasoline smoking a cigarette.

I am drawing this to your attention, sir. I have only one minute left. These matters are important. This story, written by a press gallery reporter who was on board the ship for three weeks, is of importance. It is our responsibility to know whether it is right or wrong. If it is wrong, then correct it. If it is right, has the government taken any action to correct the situation outlined in this article? Because the information in this article is so close to the information given me by seamen on the weather ship off the British Columbia coast, we should know whether an investigation is being made. I think, sir, that this matter of our Canadian ships, the conditions of their complement, is of such importance that it merits a full investigation by the members of the House of Commons.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, following the speech which I made in the house on January 14, the hon. member for Edmonton-Strathcona (Mr. Hanna) spoke briefly. My speech is recorded on pages 208 to 214 and his speech is recorded on pages 222 to 225 of *Hansard*. I thought the hon. member made a very good speech. He touched upon three matters which, it seemed to me, he has a right to have me deal with. First, would Social Credit require a dictatorship?

An hon. Member: Yes.

Mr. Blackmore: Positively no! When I hear an elected Liberal on the floor of the house give utterance to an absolute lie, as hon. members persist in telling in a nation like this, it is something I just cannot understand! His second point was: what was the story and significance of the Alberta prosperity certificates? His third point was whether or not Social Credit believes all the problems of the nation could be solved by just printing money. We have one or two making that statement. I suppose that if ten thousand speeches were delivered right in their presence they would still persist in their lie, which amazes me beyond all measure.

To make sure that the position of the hon. member in relation to my position as expressed in my speech be accurately before us, may I read certain extracts from my speech and from his? I will read a portion of my speech as recorded on page 210 of *Hansard*. I am not finding any fault with the hon. member. I do not want to be harsh in any way. I just want to put the facts so that people can get them. I said:

> Opponents of Social Credit have always endeavoured to show that it would establish a dictatorship. But quite the contrary is the case. Social Credit would establish the freest state and the most fully democratic government the mind of man can conceive. Did Sir Thomas White establish a dictatorship in developing and employing the Finance Act of 1914? Even to ask that question is to be unfair to his memory and to shock almost any hon. member into serious thought.
>
> The opponents of Social Credit will ask: "How could prices be maintained without iron controls?" I think it was the Leader of the Opposition (Mr. Drew), speaking some time ago in connection with Social Credit, who asked that question. The answer is that prices on the whole would be maintained by a scientific use of the law of supply and demand. It is the law of supply and demand that is supposed to affect prices today. By having and exercising ready, effective control over financial policy the minister of finance would be readily able to increase the supply of almost any commodity in Canada, thereby dealing with the tendency of prices to rise. Some will ask, "But how could he increase the supply quickly enough to offset an inflationary tendency?" After a Social Credit government had been in operation for a certain length of time we would find that it would probably have on hand a considerable supply of many commodities, just as we find today the dominion government of Canada has on hand a considerable supply of butter, eggs, and other commodities.
>
> I have stated several times in this house that it would be greatly in the interests of this nation to store up a good supply of different kinds of grain, sugar, honey, and other commodities of that

nature so there would be reserves available in case a need arises to free certain commodities upon the market when there appears to be sufficient shortage to cause a price rise.

The minister of finance could manage tendencies toward falling prices by a policy of price support wherever necessary, much as we are doing in Canada today through the agricultural prices support program. He could buy and take temporary control of and withdraw from the market all unmanageable surpluses, especially of non-perishable goods such as wheat, sugar, and so forth.

I would not think that any person with more than age 13 intelligence, after hearing a speech of that kind, would say the kind of things that the hon. member said.

We now go to page 212:

Mr. Hanna: Will the hon. member permit a question?

Mr. Blackmore: Gladly.

Mr. Hanna: Will he please explain what effect the Social Credit technique would have on taxation?

Mr. Blackmore: In the first place I would say that it would so greatly increase the well-being of the nation that the tax burden we are now bearing would seem to be relatively easier. Everyone knows that in times of buoyant revenues, buoyant incomes and so forth, as at the peak of prosperity in the war, it was easier to bear taxation. But the answer I would give, without going into too much detail, is that Social Credit is opposed to high taxation and would endeavour, just as rapidly as the goods and services produced in the country would justify, to remove the debt.

May I stop there to point out the fact that I mentioned goods and services. You will never find a responsible Social Credit speaker mentioning money without mentioning goods and services to indicate that the money supply must be in accordance with the goods and services. That is certainly clear in my remarks. I continue:

The debt can be easily paid off. Sir Thomas White could have used any $100 million that he created to pay off $100 million in bonds just as easily as he could have used the money to buy $100 million worth of wheat and other commodities in the war.

The result is that if the time came when a Social Credit administration felt that the wisest use to be made of a given amount of money obtained by monetizing goods and services was to pay off the debt, then by degrees it could do so by simply monetizing, as Sir Thomas White did, the goods and services of the country and paying off the debt. Taxes would thereby slowly be reduced until the time would come—I will not say how many years it would take; it would depend on conditions, but I would say within a rather comfortable period—when taxation could be abolished entirely.

Those expressions are so plain that I am sure the hon. member could easily understand what was said; consequently it is pretty hard to suppose that he did forget what I said when he made his speech.

On page 224 of *Hansard* the hon. member for Edmonton-Strathcona is reported as follows:

This evening we have all enjoyed, because some hon. members gave evidence of it, the exposition of the Social Credit technique by the financial spokesman for the Social Credit party. I think we can take it that the views expressed by the hon. member for Lethbridge represent the official views of the Social Credit party, since I have never heard any of their members deny those particular views that were outlined this evening. I wonder how the party leader, the hon. member for Peace River (Mr. Low), reconciles the views we heard this evening with his statement the other day that his party is the real free enterprise party. How can he reconcile a government-dictated price structure with free enterprise? I should like to hear him deal with that subject. I submit, Mr. Speaker, that he can only have a government-dictated price system under a dictatorship.

That in the face of what I had said just a short time before! Then again:

The theory outlined by the hon. member could only be made to work under a dictatorship.

We heard a great deal this evening about tickets, and that there were not enough tickets to go around. I should like to display a real Social Credit ticket, Mr. Speaker. It is called a prosperity certificate. These prosperity certificates, so-called, were issued by the Social Credit government of Alberta. This one is dated August 5, 1936. I should like to read into the record what it says on its face:

"The provincial treasurer will pay to the bearer the sum of one dollar on the expiration of two years from date of issue hereof upon presentation hereof provided there are then attached to the back hereof one hundred and four one cent certificate stamps."

On the back there are 104 spaces dated for the 104 stamps.

The hon. member did the country a service by reading that because it is important that people know what the prosperity certificates were like. Then he went on to say:

I think it will be apparent to most hon. members that it was really a gigantic taxation scheme. These prosperity certificates were used to pay civil servants. You gave a dollar's worth of service and you got one of these; and then, according to the face of it, you got a dollar when you had paid 104 cents over a two year period. Needless to say these were not in circulation for the expected two year period. They were rejected entirely by the people of Alberta, Social Credit and non-Social Credit.

That is not correct, but I shall not go into the details. Then again:

I would like to complete my speech; then the hon. member for Macleod can continue and tell the house the rest of the story, if I have omitted anything about the Social Credit certificates.

I am telling the story tonight. The hon. member continued:

I am not one of those who, like my Social Credit colleagues across the way, think all we have to do is print the money.

That is the most puerile thing in the face of what I have said already and after all the explanation that has been given and after the hon. member having lived in Alberta and seen the various devices which have been used by the government of Alberta to bring about prosperity in that province. However,

nonsensical things like that are to be expected from people. Then at page 225 he is reported as saying:

> I would like to congratulate the new Minister of Finance (Mr. Harris) on his appointment. I am sure all hon. members earnestly wish him much success in the very difficult job he has in hand. The hon. member for Lethbridge certainly makes it look easy for him this evening. We would print enough money to pay off the national debt—

No mention is made of goods and services, which is the dishonest thing in the matter.

> We would print enough money to pay off the national debt and we would eventually abolish taxation. It is a neat trick if it can be done.

I do not think for a minute that the hon. member deliberately intended those discrepancies in what he said. I think his speech was prepared a long time before he delivered it, and probably it was prepared by somebody else at a time when this speech of mine had not yet been delivered. I should like to give the house a little background on this matter of prosperity certificates.

Mr. Byrne: I do not think it is becoming for an hon. member to say that another hon. member's speech was prepared for him. Speeches are made in this house by hon. members. While I am on the point of order I should like to say that I do not think it is appropriate to quote a speech made by an hon. member in this house during this debate.

The Acting Speaker (Mr. Applewhaite): On the point of order raised by the hon. member for Kootenay East (Mr. Byrne), I listened carefully to the hon. member for Lethbridge (Mr. Blackmore) and I do not think it would be fair to interpret his remark as a definite accusation that the speech of the hon. member had been written for him. I think in fairness to the hon. member for Lethbridge it should be said that equally plausible suggestions have been made on the floor of this house on more than one occasion that, to put it mildly, hon. members had had some assistance in preparing their speeches.

On the other point, I do not think I can rule the hon. member out of order for reading quotations from a previous speech in this same debate, although I must say that there comes a time under the rules when lengthy reading of extracts is regarded as obstruction. I hope that we can rely on the hon. member's discretion. As the hon. member for Lethbridge has been interrupted, and as it is now two minutes to six, perhaps he would agree that we call it six o'clock.

At six o'clock the house took recess.

[Mr. Blackmore.]

AFTER RECESS

The house resumed at eight o'clock.

Mr. R. F. L. Hanna (Edmonton-Strathcona): On a question of privilege, Mr. Speaker, just before six o'clock the hon. member for Lethbridge (Mr. Blackmore) insinuated that I had made a speech in this house which someone had prepared for me. I think I should say that no one prepared my speech, nor do I think that anyone prepares the speeches of the hon. member for Lethbridge.

Mr. Blackmore: I am glad to hear the hon. member say that, Mr. Speaker.

Now, I was at the point of giving an account of the prosperity certificate to which the hon. member for Edmonton-Strathcona (Mr. Hanna) referred with complete propriety the other night. It is necessary to get the background of the whole situation in 1936 when the Alberta government attempted to issue prosperity certificates and use them.

In the first place, here are a few facts about Alberta's financial history. Alberta began her provincial existence in 1905 with no debt whatever. Between 1905 and 1921, under a Liberal government, she went into debt to the extent of $100 million. Up to 1935, under a U.F.A. administration following the 1921 election, she was in debt to the extent of $167 million. The average interest rate on that whole debt was 4.95 per cent.

Now, that was bad enough. Roughly $10 million of this $67 million debt which the U.F.A. had incurred, largely because of the depression, was in the form of Alberta savings certificates which represented money that had been borrowed by the government from ordinary people at 4 per cent. These Alberta savings certificates were provincial promises to pay on demand. This is exceedingly important to bear in mind. The total amount of that savings certificate debt was $9,414,468.15, to be exact. If hon. members are at all interested in facing facts they must recognize the significance of this $10 million worth of savings certificates, and the effect they would have on the credit of the province. Ask yourselves the question, what would you have done if you had been in charge of the province at that time, and then you will not feel nearly so smart when you are contemplating what Alberta did.

On August 27, 1935, the United Farmers of Alberta government had to announce it could no longer pay either interest or principal in respect of the savings certificates. This move destroyed the credit of the province. No longer could Alberta borrow money anywhere on the world's money markets; that is very important for all Liberals to bear in

mind. Social Credit had nothing to do with it at all. The Social Credit administration under William Aberhart's leadership took office on September 3, five days after the loss of Alberta's credit by the U.F.A.'s financial default.

Mr. Hanna: What was the date of the election?

Mr. Blackmore: August 22; thank you for asking. Mr. Aberhart later said that when he became premier not only was the treasury empty but the bottom was scraped out of the barrel. My question is, what would you have done about it? What would the Liberal government have done if they had come to power at that time when the credit of the province was completely destroyed, with $10 million of demand savings certificates facing them, any one of which could be brought to their attention as a demand for payment at any time.

There were plenty of other difficulties, too.

In 1935 Alberta's economy was to a very large extent an agricultural economy and agricultural prices were tragically low. Freight rates were especially burdensome upon Alberta. Albertans were scarcely out of the very depths of the depression. To add to this adversity, in the year 1935, when Social Credit took over, Alberta's farmers in the south were afflicted with drought; in the north, they were rained out; in the centre, they were stricken with frost.

Some hon. Members: Oh, oh.

Mr. Blackmore: You notice the idiotic laughter which manifests itself every once in a while. It is an absolute refusal to face facts seriously.

The civil service had to be paid, and the other manifold obligations of a provincial government had to be met. I ask once more, what would a Liberal government have done in the circumstances? Answer that.

The Lethbridge *Herald,* in an article entitled "Watch Your Step", under date of August 21, 1935, the night before the election, used these words, and I quote:

> We might as well be blunt about it and say positively and emphatically that if Alberta electors should send a majority of Social Crediters to Edmonton tomorrow, Alberta is headed for disaster.
>
> Mr. Hoadley has told the people of Alberta that it is impossible for the province to finance itself through loans or bonds because of the fear investors have that Social Credit may come into control of the government of Alberta.
>
> Alberta for the 18 months that Mr. Aberhart mentions wouldn't be able to finance itself. It could not make a loan; it could not borrow money, because the people who have the money wouldn't invest in a province where Social Credit was being experimented with. Then what would happen?
>
> Aberhart could not administer the affairs of Alberta on the revenues that come to it from the people of Alberta only. Expenditures would have to be slashed, relief grants which up to the present have been financed mostly by loans from the Ottawa government would be cut down. So would mothers' allowance; old age pensions; hospital grants; school grants; all social and other services to which the people of Alberta have been accustomed.

Now, that was the sort of panicky talk that was taking place throughout the whole province.

The Social Credit government had promised improvement in every respect. There was an abundance of nearly every kind of goods and services. This is the important thing, Mr. Speaker. There were plenty of goods. It was said the warehouses were literally bulging with goods. There was a grave shortage of purchasing power in the hands of the people; that was all.

The province greatly needed roads everywhere. There were 80,000 miles of road allowances in Alberta, every mile of which needed good roads built along them. There were many thousands of unemployed in Alberta, all ready to go to work to build roads. There were many needy farmers who could work on roads while their crops grew or while they were waiting for another year's harvesting. There was plenty of road building material, such as gravel. There was sufficient machinery. There was food, clothing and shelter enough to sustain the workers. Is there any conceivable reason why the people of Alberta, roughly 900,000 of them should not have been able to work together to build these roads? Yet, under a Liberal administration those roads would never have been built at that time and would not be built today under similar circumstances.

The Social Credit government was a monetary reform government. The members knew that units of money created by a government could be sound if the units created were not too numerous in relation to the goods and services available. This had been abundantly proven through the operation of Canada's Finance Act of 1914, to which I referred on January 14. The dominion parliament had reaffirmed implicit confidence in the principles and performance of the Finance Act by extending that act in 1919 and then in re-enacting it in 1923 as the Finance Act of 1923 under the great Liberal finance minister, Hon. W. S. Fielding. The reference to this is in the report of the royal commission on banking and currency in Canada, published in 1933. In the face of these facts, why should not Alberta create money just as sound as the money created by Sir Thomas White, dominion finance minister? That is the first question.

In addition to the backing which Sir Thomas White would have, Alberta was placing a 100 per cent backing of coin and other Canadian cash in two years, to uphold these prosperity certificates. If Alberta affixed her signature to a million dollar bond, that bond was considered sound. Why should not a one dollar bond of Alberta be just as sound? When hon. members get that answer in a sensible manner, they will be in a position to appreciate the problem. The Alberta government, with obvious good logic, issued some thousands of Alberta one dollar bonds, called prosperity certificates. A million dollar Alberta bond to be redeemed in 20 years would be sound, why should not a one dollar Alberta bond to be redeemed in two years be sound? The prosperity certificate was in effect a bond and at the same time a promissory note. That was the status of the prosperity certificate; and all the laughing off by superficial minds will not change the situation one bit.

But any bond which might circulate—and here is where the difficulty arose—from hand to hand could be classified as currency. Here is where the stamp requirement entered the picture. Consequently if Alberta issued a one dollar bond and put it into circulation by trading it to an unemployed man in return for two hours of work on an Alberta road, then Alberta would be violating the currency legislation of the Dominion of Canada.

In order to avoid such dominion currency legislation Alberta had to penalize that road worker by obliging him, or whatever person accepted the bond from him, to put on the back of the bond a stamp from time to time, the denomination of the stamp being fixed at one cent and the period of time being fixed at one week. This was the only way that we could see of avoiding the currency law. It was not a question of whether the prosperity certificate was sound. It was a question of whether this big dominion government would permit the province to use that financial device in order to get out of what looked like an impossible financial situation.

The prosperity certificate was issued as a promise to pay by the provincial treasury. I now refer hon. members to the passage which the hon. member for Edmonton-Strathcona (Mr. Hanna) read into the record, which reading is accurate and which, as I said a few minutes ago, is a service to the country because it gives the people a chance to get the truth. If you get the full truth about Alberta there will be nothing but admiration and wonder as to how the administration ever got out of the difficulties they were in in 1935—all difficulties which they had nothing to do with causing—and all the time being opposed by the most sordid opposition from the hon. members of the Liberal party, 100 per cent, all the time. Lies, misrepresentations and distortions just filled the air like smoke.

The date selected on which the stamp was to be affixed to the prosperity certificate, as I remember it, was Wednesday. Whoever found himself in possession of a one dollar prosperity certificate on Wednesday night at a certain hour would be required to affix to it a one-cent stamp. There was thus encouragement to people to keep the prosperity certificates circulating. The hon. member said that it looked like a giant taxation system. It could be looked at in that way. But look at the high degree of discount people will give right today in order to get a dollar's worth of trade. For almost any businessman today it would be an almost negligible thing to give one cent on the dollar to get a dollar's worth of trade, or any ordinary worker who is unemployed would certainly be glad to give one cent for the privilege of earning a dollar. That is what it amounted to.

The cause for the cessation of the use of these prosperity certificates was, of course, among other things, probably first the never-ending attack organized against them by the opposition. The very men whose party were responsible for putting Alberta in the financial position it was in were loudest, most inveterate and sordid in their opposition, trying to make it impossible for their own province to come out of the mire. There you have the record of the Liberals of 1935, and they are just as bad today. The last thing in the world they are ever concerned about is how the province is going to get ahead or how Canada is going to get ahead. The only thing that interests them is how to get their miserable selves back into office for another term.

The next reason was the fact that so many opponents of Social Credit refused to accept those prosperity certificates because of prejudice. There were many people who could just as well as not have accepted prosperity certificates such as people who were running stores, garages and the like. If they had accepted these certificates and passed them on just as they would any ordinary money, there would have been no burden on anybody and the effect would have been surprising on the prosperity and the pick-up generally of the province.

The third reason why prosperity certificates were not accepted was that they were not legal tender for obvious reasons. It was not the fact that the people as a whole rejected them. It was the fact that the stubborn, sordid Liberal opposition made it impossible for

the device to work. That is all it was. Let the blame go right where it should lie. They worked together with some Conservatives who were just as bitter as the Liberals were. What did they care about the well-being of their own province? Nothing!

I ask hon. members this question. How long would our present Bank of Canada dollars be accepted freely if in the first place a one-cent stamp were to be required to be affixed on the back of each dollar every week? There would be hesitation to accept it, would there not? But it would not be because the dollar is not sound. In the second place, if anyone in Canada were free to refuse to accept a Bank of Canada dollar in payment of a debt—that is if the dollar was no longer legal tender—how long would it be accepted? I think that is enough to show that it was not a matter of the prosperity certificate being unsound at all. Fundamentally, it was just as sound as any unit of money but it had to be used under these difficulties to which I referred in order to avoid the currency laws passed by this dominion parliament.

What were the accomplishments of the prosperity certificates? The hon. member did not tell us about those. I do not blame him. He was putting forward his own case. I will put forward mine. In the first place they built many miles of roads. Let it be borne in mind that when the Social Credit government of Alberta came into power there were only 75 miles of hard-surface roads in the whole province of Alberta. There were 80,000 miles of roads but only 75 miles of them were hard surfaced and that hard surface was the result of an experiment with the Athabasca tar sands and those hard-surface roads were not anything like what we call hard-surface roads today. Anybody who will go into Alberta today and travel over the magnificent system of highways to be found there will wonder how in the world any government of an agricultural province built that many fine roads in the course of 19 years. The prosperity certificates made possible the start. They helped to tide Alberta out of a financial position any other government would have found impossible.

I will say this. If a Liberal government had gone into power there, unless it had had a special dispensation from Ottawa or somewhere else, it could never have managed at all.

What might the prosperity certificates have done for Alberta if they could have been free from the handicap of stamps? The number of prosperity certificates that could have been issued and used in Alberta would have depended upon the surplus goods and services there were in Alberta ready for the people to buy and use, and that amount was simply stupendous. I do not know how many prosperity certificates could have been used but my opinion is that the government could have issued enough of them until prices began to go up. Of course, the minute prices begin to go up, then you have inflation. That is the way to judge.

There are a great many people who say a great deal about the prosperity certificates, and who try to hold them up to ridicule and all that sort of thing. But that is not helping to solve the problems of this country. The Liberals today who are in power—the great big party with a tremendous majority—are just sitting like a lot of frozen tomato plants. They do not know what to do about this unemployment situation and they are trying to whistle in the dark to make themselves believe that the thing does not exist. But they just do not know what to do. Meanwhile their agents are at work misrepresenting Social Credit, the only thing that could help them solve the problem. I am sure I do not know what will happen if depression actually sets in. I am not saying that it will set in, but there is every indication that unemployment is going to increase. I ask the Liberals frankly: What are you going to do about this unemployment in case it continues to increase? Are you just going to sit like a lot of frozen tomatoes, waiting hopelessly just as your forebears did from 1935 to 1939—it is enough to make anyone just nauseated; it is a disgusting situation—while men tramped up and down and rode back and forth on the cars, almost hating the country in which they lived?

I ask: What harm did the prosperity certificates do to anyone? Did they ever cause inflation? No; no rise in prices. Was any one of them not redeemed? No; they were all redeemed in good Canadian money, except those that were not presented for redemption. The cost of the stamp was deducted but that is all. I ask once more: What would the Liberals have done? I should like to know what the hon. member for Edmonton-Strathcona, the Minister of Mines and Technical Surveys (Mr Prudham) and the hon. member for Vegreville (Mr. Decore) would have done. I should like to have seen them form a government in the province of Alberta at that time and to have seen how they would have performed. These men are loud in their demands to destroy the government of the province of Alberta but just let them try to find a way out of the difficulties that faced Alberta then or that face Canada now.

They would fail just as miserably as the Liberals failed in this house in 1935 to deal with unemployment and other ills in this country.

If the Liberals had gone into power in the province of Alberta of course they would have gone for a loan. All they can think about is debt. They are never satisfied unless the country is loaded with an unbearable burden of debt. I think it was only five or six years ago that Harper Prowse, leader of the Liberal party in Alberta, said he would borrow $100 million and build a blanket of roads all over Alberta. That is exactly what he would do. He would have had the province loaded with such a burden of debt that every return it received from every source would have been required to service the debt. These Liberals would be perfectly happy to be able to wave helpless hands, shrug shoulders, and say they could not do anything about it.

If the Liberal organization had been in power there what would they have done? In those days the dominion government was talking about imposing a loan council upon the provinces which meant that in order for a province to obtain any amount of money beyond a certain figure it had to agree to allow the dominion government to tell it what it could or could not borrow. If Alberta had accepted a loan council in those days then her financial autonomy would have been destroyed. That is what the Liberals would have done. Meanwhile they would have left unemployed the people who were ordinarily employed on the roads through the use of prosperity certificates.

Just in passing I might ask the question: Why does the hon. member bring up the prosperity certificates here? I want to attribute nothing but the very best motives but it would be surprising if he did not bring up the prosperity certificates with the intention of trying to discredit the great Social Credit administration in the province of Alberta. The certificates were a trivial little thing that was only one of the struggles that the province made in its tremendous efforts to get out of the difficulties it was in.

Then I refer to the matter of dictatorship. It is an absolute falsehood to say that a Social Credit administration would have to have a dictatorship. If I do not know as much about it as the hon. member for Edmonton-Strathcona (Mr. Hanna), it would be a most astonishing situation. The statement that Social Crediters believe that printing money is all that is necessary in order to solve the difficulties of the country is just as false and preposterous as the other piece of nonsense.

I should like to give the house a picture of something on the happy side. What I have already given is a picture of the very unhappy situation which faced Alberta at that time. What is the situation of Alberta today as she faces this great fiftieth anniversary of her becoming a province? From a Canadian Press dispatch that appeared in the Lethbridge *Herald* of September 16, 1954, we learn that Alberta's net surplus for the fiscal year ended March 31, 1954, was $22,614,000. That is just about $9 million more than the total revenue Alberta had the first year after the Social Credit government took office in 1935.

In the year ended March 31, 1954, Alberta had revenues of $197,043,200, more than $42 million greater than the previous year. That is how this province of Alberta is growing today. Yet these Liberals would destroy the administration that accomplished that! How can they consider themselves to be patriotic Albertans?

An hon. Member: Oh, oh.

Mr. Blackmore: If you will just listen you will learn something, but you do not learn if you do not listen. The government received from petroleum and natural gas leases $49,590,010. That is leases. The province of Alberta has reserved lands contiguous to parcels on which oil has been discovered, has held them until the time when people wished to have them and has sold the drilling rights on them on the open market at auction. During that one year the revenue from sales of such leases was $49,590,010. As I told some hon. members last year, if a Liberal government had been in power they would have had that money to divide among their friends.

The net funded debt of Alberta decreased in the year by $3,019,382. The unfunded debt of the province decreased by $83,304. Capital expenditure for the year was $89,911,864, including $35,228,877 spent on highways, bridges and ferries. There was $5,387,535 spent on public buildings and other public works, while $3,207,790 was spent on the St. Mary and Milk rivers irrigation project for capital development. The University of Alberta received $1,165,216 by way of capital expenditure. I wonder whether there is any reason why a government doing all that should be destroyed.

Loans and advances to municipalities and rural electrification associations amounted to $34,638,465 compared with $6,093,876 the previous year. The amount spent on public welfare, institutions and charitable grants was $36,453,388. Alberta's income from the federal-provincial tax agreement was $29,802,545. I am putting these last figures

on the record just so that we shall not have the Liberals running around telling people that the dominion government gave all the money to the province.

From the budget speech of the premier of Alberta delivered on March 5, 1954, we learn certain things about the debt situation of Alberta and I am going to give a series of figures so that we can see what has happened to the debt of Alberta since 1936 when the Social Credit government first began to manage the affairs of the province. As of March 31, 1936, the total debt was $167,027,144. In 1940 it was $156,501,773. In 1945 it was $150,159,819. All that happened before oil in any large measure was discovered. Oil was first discovered in great quantity in the Leduc field in 1947. As of March 31, 1950, the debt was $130,600,687. As of March 31, 1952, the debt was $100,437,090, and as of March 31, 1953, it was $97,452,424.

An hon. Member: Table it.

Mr. Blackmore: And at December 31, 1953, it was $94,283,654. These figures show that there has been a very rapid decrease in the debt ever since the Social Credit administration took office. Not only were they able to pick up the reins and carry on by devices which they were able to work out, but they were able to reduce the debt from the very first year. Yet the Liberals in Alberta want to destroy the administration that has done that!

Mr. Prudham: Why do you not tell them about Alberta defaulting?

Mr. Blackmore: Come into committee where I can get at you and I will take you all to pieces. You have not got a leg to stand on—just a poor, miserable politician, that is all.

Cash and investments in the hands of the province at December 31, 1953, amounting to $169,160,868, consisted of the following:

Cash	$ 5,480,938
Bonds and debentures	80,355,568
Loans to municipalities:	
Self-liquidating Projects Act	19,315,400
Municipal Capital Expenditures Loans Act	24,736,111
Rural electrification loans	4,092,288
Loans to Alberta government telephones	35,180,563
	$169,160,868

Show me in the British Empire any unit of government anywhere that is doing anything to compare with that?

Mr. Prudham: Why do you not tell them that Alberta was the only province that defaulted on its bonds?

Mr. Blackmore: I could not hear what the hon. member said but he will have plenty of opportunity to repeat it in committee some time. When he does I will aim to be right here.

Mr. Speaker: Order. I am sorry to have to inform the hon. member that his time has now expired.

(Translation):

Mr. Adrien Meunier (Papineau): Mr. Speaker, may I first congratulate the mover (Mr. Leduc) and the seconder (Mr. Carrick) of the address in reply to the speech from the throne for the brilliant and courteous manner in which they have fulfilled their task.

I was not at all surprised at the oratory of the mover, the hon. member for Verdun, who has been for many years a fellow member of the Montreal bar.

I am sure that the movers of the address have expressed the feelings of their electors and that the latter have reason to congratulate themselves and to be proud of their members.

I take part in this debate, Mr. Speaker, to congratulate the government on the efficient and worthy legislation already enacted and which they propose to enact during the session.

I represent an important Montreal constituency of approximately 100,000 people made up of Canadians of various racial origins, French, English, Jews, Poles, Italians and Ukrainians; all are unanimous in approving the way in which the government administers the affairs of the country.

The amendments to the Unemployment Insurance Act have been well received by the public at large and they will alleviate the hardship of seasonal unemployment among a certain class of workers.

Some of the previous speakers have asserted that those amendments to the Unemployment Insurance Act were but palliatives and would not remedy the situation. To refute their arguments one can say that there is and always will be seasonal unemployment, owing to the geographical position and the climate of our country.

I have been living in Montreal for over 30 years and every winter there has been a period of unemployment, more particularly among day labourers. Those people are happy today to be able to receive unemployment insurance benefits during that temporary period of unemployment; they consider this legislation beneficial and will find it even better following the amendments made by the government.

It has also been stated in the house, Mr. Speaker, that the government's immigration policy was creating unemployment and depriving our workers of their livelihood. In the constituency of Papineau which I represent, there are many foreigners, the majority of which is made up of Italians. One must not believe that all these people come to Canada to seek employment and work as day labourers; many of them bring funds and go into business. In my constituency and elsewhere several of them have established marble, jewelry and watchmaking industries, and they employ Canadian labour without racial discrimination.

I have always found that the government's immigration policy was selective and that it did not increase the number of unemployed; on the contrary, it has helped Canadian industry to develop and expand. I am confident that the government will maintain that policy which is a source of stability for the Canadian economy.

The amendments which the government intends to introduce to the Blind Persons Act have been greeted with satisfaction by that group of citizens. A large number of blind people are finding it hard to make a living in spite of their talents and skills. They can hardly be expected to resort to begging. I feel confident that this government action will help lighten their burden and make their life somewhat more cheerful.

Another piece of social security legislation which was generally welcomed throughout the country was the Disabled Persons Act, passed by the house last year. This action by the government and especially by the Prime Minister (Mr. St. Laurent), gained high praise everywhere. It will bring those people who come under the act valuable aid and comfort. These disabled people, who were a burden for others, will be able to bear their infirmity better, remembering that they are not forgotten. They will forget the difficulties of life and be in a position to procure relief and welfare for themselves.

Now, before closing, I wish to take exception to a remark made lately by one of the C.C.F. members in this house. The hon. member said that Quebec was the sore point with regard to national unity, that its people would react and that such reaction would be to the benefit of the communist party. I shall tell my hon. friend, the member for Burnaby-Coquitlam (Mr. Regier), that, if he has drawn such conclusions after visiting the province of Quebec, I wonder in what circles and in what places he has been. Yesterday the hon. member for Beauce (Mr. Poulin) gave him enough details on the life and people of Quebec to make it unnecessary for me to go over it again.

The people of the province of Quebec are respectful of authority and of established order and I dare say to the hon. member that, if a very small group of the communist party stirs with no set purpose, the whole of the population cannot be made responsible for it. One has to live but a short time in the province of Quebec, as in any other province, to see that the people are in no wise different from the people of other provinces, but only that they have a Canadian mentality like the others and that they want the progress of the country, national unity and peace both in Canada and abroad.

We shall never see the day when the province of Quebec will be in the hands of the communist party, because the people of Quebec are too hardworking, sound and honest to believe in Utopia.

The people of Quebec are happy and content to live in a democracy and especially under the leadership of the Liberal party, which they have nearly always chosen to guide their political destiny.

(Text):

Mr. Michael Starr (Ontario): Mr. Speaker, in common with many others who have preceded me in this debate on the address in reply to the speech from the throne may I offer my congratulations to the mover (Mr. Leduc) and the seconder (Mr. Carrick), upon the fine manner in which they delivered their addresses. Their efforts were definitely worth while, and I was reminded of the occasion a few years ago when I had the opportunity of delivering my maiden speech in the House of Commons. With my own experience in mind, I believe I can sympathize with them in their ordeal.

Mr. Speaker, I rise to bring to your attention and to that of hon. members a simple and constructive step which can be taken immediately by the government to increase employment by at least 10 per cent in one of our most important industries, and at the same time save some Canadian consumers $71 million this year. I refer to a decision in the 1955 budget which would remove the excise or luxury taxes now levied on passenger automobiles.

I hasten to say that I am not advocating the removal of all taxes from automobiles. The present total of taxation amounts to 25 per cent of the manufacturer's selling price. Of this amount, 10 per cent is in the form of the general commodity sales tax, and the remaining 15 per cent is a luxury tax. It is this utterly unrealistic added burden of taxation on one of the most important and, I might add, most expensive necessities of

normal life under modern conditions in this country, which should be removed.

I am certain there is scarcely a member in the house who does not feel that this luxury tax should have been removed some years ago, when the reason for its imposition had ceased to exist. I refer of course to the fact that the automobile luxury tax, as we know it today, was first of all a wartime austerity measure and then a control device to conserve exchange and to combat inflation. It has been continued at its present or at a higher level for some years now, regardless of its depressing effect upon an industry which accounts for one-eighth of all retail sales, regardless of its limiting effects upon employment and regardless of the severe hardship it imposes upon consumers in the low and average income brackets.

The two great problems facing many Canadians today are unemployment and inadequate family income to meet the demands of our modern standard of living. The government could go a long way toward relieving both these problems if, in the forthcoming budget, it would abolish this outmoded and unrealistic luxury tax on passenger cars.

In some measure I speak of this growing need as a representative of the riding of Ontario, one of the two great centres of automobile manufacturing in Canada. I speak also in much larger measure for all Canadians who are forced to pay this arbitrary and artificial penalty of over $400 if they wish to buy the most modestly priced family car of Canadian manufacture on the market today. I admit that they should pay something, but I submit, Mr. Speaker, and I am sure all hon. members will agree, that $150 or $160 per car, which is the amount of the sales tax, is a fair contribution of this family necessity to the federal treasury.

The luxury tax costs each modest car owner an additional $240 or so. It is a luxury tax but in this case it is not imposed on the luxury. I think it will be generally agreed that this proposition is self-evident. The facts are—and this is the finding of a very thorough and extensive survey—that 83 per cent of passenger car use on an average day in Canada is for essential travel of one kind and another; that 65 per cent of every hundred miles of car travel is directly connected with the necessity of making a living; and that today almost one million of our citizens are driving, for these essential purposes, cars which are ten years old and more. Apart altogether from the important safety factors involved, it must be obvious that the continuance of this luxury penalty on new car ownership is seriously affecting the efficiency of the entire national productive effort.

The estimate I have given of a 10 per cent immediate increase in employment, if this luxury tax were removed, is conservative. Most labour leaders, I am told, think it would be considerably higher. Even so, I know what a 10 per cent increase in high pay employment would mean, not only in my own riding, or in the Windsor area, but in many other parts of Canada. Mr. Speaker, 260,000 Canadians depend for all or a large part of their income on the manufacture of motor vehicles, the supply of materials and component parts, and the sales and service of these vehicles. All would receive benefits, direct or indirect, from the removal of this luxury tax. Four thousand or perhaps five thousand new jobs would open up in the manufacturing industry alone and as many again in the supply industries. The latter, incidentally, actually give work to more people than the manufacturing industry itself.

I need not explain to this house, Mr. Speaker, that I am not talking about stopgap, marginal, low wage employment. The jobs I speak of are preferred jobs in our national work force. If our economy continues to expand, and the Canadian-made automobile is allowed its full share of the domestic market, they will be steady jobs.

It will give hon. members some idea of the magnitude of the burden of this present luxury tax on the payroll resources of the industry when I say that this year, and I mean the fiscal year 1954, the federal taxes paid by the automobile manufacturing industry in Canada exceeded the total paid in wages and salaries by some $13 million. The figures, I believe, are $137 million in taxes and $124 million in wages and salaries.

It seems to me, Mr. Speaker, that on these facts alone, the immediate removal of the luxury tax would be fully justified. But there are other compelling reasons, perhaps the foremost of which is the long list of consumer benefits that would follow from the rechannelling of those $70 million into new disposable income. Some of it would be spent on cars, and much of it would be spent on other commodities. Regardless of what happened to it, the fact remains that Mr. and Mrs. Canada would have $70 million more in their pockets and purses, to spend or save, than last year.

If there is anybody on the opposite side of the house—and I am sure there is not one but many—who may be interested in raising the level of Canadian retail spending next year, I commend this simple and available source of substantial millions.

The exciting prospect of the immediate redistribution of these millions is even more

appealing if we look at the kind of Canadian families who will benefit the most. They are, naturally, the people who buy most of our passenger cars. Who are they? Again I quote the very reliable independent survey made of this and other basic facts of automobile ownership. Although it was made about three years ago, I am informed by those conversant with up-to-date statistics that its conclusions are still valid.

At the time of the survey, 81 of every 100 passenger cars were owned by households whose senior wage earner had an annual income of less than $4,000. Sixty-five of every hundred passenger cars were owned by families whose main source of income was less than $3,200. I have said that the luxury tax amounts to well over $200 in the cost of the average car. Its removal, Mr. Speaker, would be the equivalent of a round of pay raises of between 5 and 10 per cent for every $2,000 to $4,000 wage earner who buys a new car this year. I might say also at this point, sir, that I have inquired into the matter of passing on to the consumer the luxury tax removal, and I am most reliably informed that the entire reduction would be passed on by the manufacturers and dealers.

Also important in this connection—and I trust this aspect will have the serious consideration of the minister—is the application of the tax reduction or removal to cars in the hands of dealers. On some other occasions the government policy has been strangely inconsistent on this point. When the luxury or sales tax has been increased, this has generally been made to apply to all cars still in the hands of dealers. On the other hand, when reductions have been made it has not been applied to such cars. Perhaps I should explain that the sales and excise taxes on passenger cars are collected from the manufacturer before the car goes to the dealer for sale to the consumer. It is to all intents and purposes still an unsold car, merely having moved from the factory into the chain of distribution. Surely it is most unfair to all concerned to treat these cars still in the sales rooms and waiting to be sold as though they had actually been sold while the higher tax levels were in effect.

Of course, the tax will have already been paid on these cars by the manufacturer, and we all know how reluctant governments are to give back money to taxpayers, but surely the injustice of retaining such tax moneys is too obvious to allow this kind of thing ever to happen again. I have made some inquiries as to the practical aspects of giving these rebates, and am informed that the necessary checking, auditing and policing of dealers is a simple matter which the large manufacturers could handle on behalf of the government without any untoward incidents.

As a matter of fact, Mr. Speaker, I will go so far today as to ask the Minister of Finance to make an immediate announcement that whenever new rates are announced, whether up or down, they will apply to all cars not actually sold to consumers. This is the only way to be absolutely fair. It might be thought that such an announcement at this time would suggest that a reduction or removal of the luxury tax had already been decided on. But this is not the case. Whether the tax is changed or not—and this could be acknowledged in the minister's statement—there will still be hesitation on the part of dealers to accept new car deliveries between now and the bringing down of the budget, unless such a policy is announced now.

It is common knowledge that there are rumours of some measure of automobile tax reduction in the air. I think it is not too much to say that the minister himself has had a good deal to do with starting those rumours. It would be a wise and gracious act on his part—and of immense help to the industry—if he would now recognize the difficult position of the dealers and state that no decision has been reached about next year's auto taxes—which is, I am sure, quite true—but that if or when changes are made, the new rates, up or down, will apply only when cars are sold to their new actual owners.

We must of course consider the effect of the tax removal on government revenues. I am sure that this is the question which is most important to the minister at the moment. I have said that the sum total of revenue from the luxury tax is currently about $71 million. However, even its complete removal would not mean a loss of anything like this amount to the treasury. I have heard various estimates of the actual loss, but the consensus of informed opinion is that it might be no more than half of the present tax "take", or about $35 million. This is due, of course, to the fact that the $71 million would go almost in its entirety into the main stream of consumer spending on cars and other commodities. The current estimate of the direct federal revenue on all commodity spending is between 20 and 25 per cent. That is one way the treasury would get back a substantial part of the $71 million. It would gain in other ways also.

For example, it would gain possibly 10,000 new taxpayers from the new jobs which the tax cut would create. Whether they came from other industries or not, the fact remains that new jobs would be created throughout

the economy, and we all know that new jobs mean inevitably new heads for the tax collector to count.

It would gain also from the substantial volume of new spending on cars, and from additional taxes on the accessories that always accompany new car ownership. The same applies to tires, car radios and so on, whose sales would be immediately stimulated by the upturn in new car buying.

I could mention many other general benefits from the measure of tax relief which I am advocating. It would afford some measure of relief to the overcrowded public transit systems of many of our cities. It would make life easier and simpler for those hundreds of thousands of Canadians who travel many miles to their work by passenger car, and to all of those who have fallen in with a new pattern of Canadian living, namely a small home in the suburbs or countryside.

In closing, I am well aware that someone may ask the important question: Why this year? I think there are some compelling answers to that question. The sharp rise in unemployment is one current development that I am sure the government is anxious to check. I believe that the minister will find ready corroboration for the estimate of new jobs I have suggested, namely a 10 per cent rise in automotive manufacturing employment and at least an equivalent rise in the supply and service industries.

Another good reason for the tax cut this year is the fact, not generally realized, that one of the contributing factors to the economic slowdown of last year was a drop of 18 per cent in the total sales of the Canadian automobile manufacturing industry in 1954 over the previous year. I am told that the luxury tax removal would almost certainly restore that 18 per cent drop in the current year and then go on to add new production records to the output of this great industry in the years ahead.

I trust that I have said enough to make it clear, and to convince hon. members of the house, and particularly the government, that the 1955 budget is indeed the time for the final and long overdue removal of the luxury tax on this now common necessity.

Mr. N. C. Schneider (Waterloo North): Mr. Speaker, there has been considerable criticism regarding the excessive time occupied by the debate on the speech from the throne at the opening of each session. We should, however, remember that this debate is a report on the state of the nation. Each member of the house is given an opportunity to speak on the problems of his particular part of the dominion, and in that way parliament is given a survey of the problems and needs of the whole of Canada.

Having been honoured by the privilege of seconding the motion in reply to the speech from the throne when I entered parliament, I can appreciate the excellent efforts by the mover (Mr. Leduc) and seconder (Mr. Carrick) this session. I wish to associate myself with all those who have congratulated them on their really fine speeches, and I feel that our parliament has gained two worthy members who will surely be an asset in our debates.

After a long and busy life in business, I am dismayed at the waste of time occupied by many speeches in the house and the needless quotations from newspapers and other writers giving opinions of very little interest to other members. We are elected to this parliament to express the opinions and the wishes of our constituents, but above all I believe that we are elected to act on our own decisions, and are personally responsible.

I am delighted that the throne speech calls for some revision of the house rules and I urge that private members' speeches be limited to 20 minutes. It has been estimated that the cost of operating parliament while in session is $10,000 a day. At this time we are sitting 5½ hours per day, and that figures out to $1,818 per hour, and 20 minutes, which is one-third of that, cost $606. Surely no private member is vain enough to think that his ideas cannot be expressed in $606 worth of time, and that he should occupy $1,212 worth of time in 40 minutes.

The savings effected by this reduction would be fair to all and the party leaders' and ministers' privileges could remain as they are, giving ample time for summing up all the arguments presented without endless repetition by speaker after speaker.

Also the saving in the cost of printing of *Hansard* would be surprising when we think of the thousands of copies printed, and finally the printing and binding into those rows of big black books which gather dust in our offices.

A shortening of time of speeches would result in more time for the estimates at the end of the session and the real subject matter and purpose of the debate would benefit by a sharper focus resulting from the elimination of unnecessary repetition.

To faithfully represent the highly industrialized riding of Waterloo North, I must make a request regarding the excessive number of reports required from various departments of government. These federal reports added to all those from other levels of government represent a terrific amount of work in our business offices. Business is required to report the amount of various supplies and services used in the past year, and also estimate their requirements for the coming year.

How much machinery, building construction, coal, fuel oil, and many other items require a great many reports? One company figures that they made out a total of 167 returns.

There is no denying the value of these statistics to some people, but I feel that as a rule the summary of it all is published so long after it is gathered that it is almost worthless. I urge the Department of Trade and Commerce, and particularly the bureau of statistics, to immediately give consideration to a study of the co-ordination of these government demands for information, and that all these questionnaires be looked at intelligently and sympathetically and some means be found to consolidate and minimize these reports.

The monthly coal statement is an example of their complaint. Coal was a problem during the war, but at present it is in good supply, and the same applies to fuel oil and many other items. In addition to the monthly reports we must also give a summary of the whole year, and woe unto the manager whose year's figures do not correspond with the monthly reports.

I have in my hand a resolution from the city council of Kitchener reading as follows:

That whereas the current unemployment situation in the city is a source of deep concern;

And whereas the Department of National Defence has already indicated their intention to construct an armouries in the city;

And whereas in the opinion of this council an armouries building in the city is greatly needed;

And whereas the building of a district income tax office has been proposed for this city;

Be it therefore resolved that this council petition the federal government to proceed immediately with the construction of these buildings as a means of alleviating in some measure the present unemployment.

There is also a letter from the Kitchener-Waterloo family service bureau board of directors drawing attention to the extent of the distress prevailing in our community because of the lack of some form of relief for the employable unemployed who have reached the end of their resources. The building of the new income tax office in Kitchener is assured, but the armouries is still a crying need in this hundred year old community with a combined population of over 70,000 in the twin cities of Kitchener-Waterloo. The patience and loyalty of our four units, the 54th light anti-aircraft regiment, the 48th field squadron, R.C.E.; the 3rd company, R.C.A.S.C., and the 24th field ambulance is commendable, and the oddity of an anti-aircraft regiment housed on the sixth floor of an office building does not help the militia.

I do not favour the idea of constructing public works projects for the purpose of relieving unemployment, but it would be of some assistance and would be justified in this case. My deep concern is for the 3,479 unplaced applicants listed in the last report from our local unemployment insurance office. Many of the causes of the present business recession cannot be avoided during this painful readjustment to quick-changing world conditions. Canada took great pride in rapidly raising her standard of living, but now we find that we have priced ourselves almost out of the world markets. The only exception is the market of the United States, and they buy from us only when it suits them, and only until we interfere with their producers, at which time they protect them by raising the tariff or putting on an embargo.

Some of our hon. friends in the opposition seem to be extremely worried when Liberal members from industrial centres mention protection. We are labelled protectionist Liberals, but that does not worry us at all because we have the confidence of our constituents and throughout the years the Liberal government has always followed a policy of reasonable protection for our young and growing industries.

Mr. Rowe: Hear, hear.

Mr. Schneider: I am really amused by the criticism of opposition members, particularly the acting leader (Mr. Rowe), who feels that I am inconsistent and shed crocodile tears when pleading for protection for the factory workers of my riding. At first I was quite flattered by this attention from a veteran of 25 years in this parliament. I am no longer concerned about his misleading remarks, and have decided that his irritation is caused by the fact that in doing my duty I am doing what his non-conservative Conservative party should do according to policy and tradition.

Mr. Rowe: You should be sitting over here.

Mr. Schneider: I chose this seat.

During the last session there were as many good speeches for protection of the textile mills from this side of the house as there were from the Conservatives. The really outstanding speeches on behalf of the textile mills came from the hon. member for Lanark (Mr. Blair), on the Conservative benches, and the hon. member for Waterloo South (Mr. White) on the government benches. The Conservatives spent most of their time on the problem of wheat, hoping to gain favour in the west.

As the Acting Leader of the Opposition knows quite well, the percentage of Conservative voters in the cities in my riding is very high, almost 50 per cent. In criticizing me, does he suggest I should disregard their present plight and talk politics instead of

employment? I have chosen to place the interests of my people above party politics. The hon. member can follow his choice of politics first, but he cannot wisecrack me into following his ideas.

Mr. Rowe: We have one convert, anyway.

Mr. Schneider: Yes, a wisecracker. In the present recession—

An hon. Member: The 20 minutes are up.

Mr. Schneider: Oh, no. In the present recession, the problem has very seldom been insufficient protection. We have practically the same protection at this time as we had when conditions were considered to be at their best. In my opinion, the real causes of our problems today are the following: First, the dumping of surplus goods into our country in spite of Bill No. 29 passed during the last session, which makes provision for a price not lower than the average of the past six months in the country of origin. Secondly, the importation into our country of high grade goods and equipment which undersell our product in our home market because of the low wage rates in the country of origin. A good example of this is in the manufacture of electrical goods. The wages paid are as follows: Switzerland, 45 cents per hour; England, 53 cents; France, 58 cents; Belgium, 62 cents; Canada, $1.51 and the United States, $1.87. This comparison of rate is applicable to many importations into Canada today. In the face of this condition, how can we expect to sell in the export market?

Another cause of our unemployment is the serious loss of purchasing power of our farmers, both in the prairies and in the east. Farm income has dropped 15 per cent in the last two years, mostly as a result of lower prices for wheat. World wheat prices are definitely beyond our control, and along with all other wheat producing countries we suffered a drop of approximately 13 cents per bushel below the previous crop year. Because of the high cost of almost everything the farmer buys, he is having difficulty in making a profit on many of his products. The root of the problem is that while his selling prices appear to him to be low, these same prices have been amongst the highest in the world. According to last year's records the following wholesale prices prevail: beef in England, 21 cents; in Montreal, 33 cents; bacon in England, 28 cents; Montreal, 62 cents; cheese in England, 24 cents; Montreal, 32 cents; eggs in England, 50·6 cents per dozen; Montreal, 52·4 cents. The problem is to find some way to market our surplus abroad at prices which will give the producer a fair return. Experience has proven that when the farmer is prosperous he spends his money on equipment made in the city and we are all prosperous.

Another serious cause of unemployment, and one which is particularly irritating to our Canadian manufacturers, is the unsympathetic attitude of some of our government purchasing officials. Directives have been given to all such officials by the various ministers, but we still find orders and contracts for foreign made equipment being given when a Canadian company could supply it, sometimes at a lower price. Orders are sometimes given to Canadian companies who in turn buy and supply foreign goods. It is an unpleasant experience to lose such an order to a foreign firm, pay taxes to pay for the goods and send your employees home for lack of work. I appeal to all government spending bodies to carefully check each and every purchase to make sure that all possible employment is given to Canadian workmen.

Mr. Rowe: Hear, hear.

Mr. Schneider: It is easy to stand here and say what you think is wrong with our country, but it is quite another matter to offer a solution to these problems.

Some hon. Members: Hear, hear.

Mr. Schneider: Who is making this speech, please?

Mr. Rowe: It sounds like a Conservative.

Mr. Hodgson: It is your own members in the rump over there who are interrupting.

Mr. Schneider: It is easy to stand here and say what you think is wrong with our country, but it is quite another matter to offer a solution to these problems. Our young country could be compared to a young boy at his first birthday party. Johnny Canuck is a lively youngster with a reputation as a hearty eater and a fast grower. Other people outside his family have great confidence in him and are urging him to eat everything in sight. They are killing him with kindness by feeding him operating capital for investment in this wonderful country faster than he can digest it. Foreign capital has been fed into Johnny Canuck so fast that his dollar value has a premium of 3½ per cent over the dollar of the richest country in the world, namely the United States of America. This diet is too rich for his stomach and while this high dollar value feels good at first, it is just like Johnny's cake and ice cream, and now he has an old-fashioned bellyache. Our high dollar value of 1.03½ is a serious handicap in selling our surplus products in the export market. If our 3½ per cent premium were removed we

would gain an advantage of approximately 6 cents per bushel on our export sales of wheat. That would result in a faster movement of our surplus wheat and would greatly relieve Johnny Canuck's stomach ache.

Our dollar at par, or lower, would immediately stimulate our export trade and it would discourage the spending of our Canadian shopping and vacation dollar in the United States with whom we are so far out of balance.

Very few of us have training or experience in international finance, and I am sure I do not know how this devaluation of the Canadian dollar can be accomplished. But unpleasant as it is, many Canadians agree that it is one of the solutions for the present problem. While I certainly do not advocate or compare our present position with that of Great Britain, I believe that they devalued the pound sterling to about half of its former or normal value. Surely if they did it our financiers can also find a way to give us some relief.

Great Britain is enjoying full employment while we sit here with Johnny Canuck's stomach full of rich food and like all small boys he does not want to take his castor oil. This parliament should encourage our finance minister in his present efforts to find some solution to this most pressing problem and to give us at least an even break with the United States dollar in securing export trade.

Mr. William Bryce (Selkirk): Mr. Speaker, I have listened attentively to the hon. member for Waterloo North (Mr. Schneider) and what he had to say with regard to what it costs when one rises to speak for 10, 15 or 20 minutes in the house. I have been trying to figure how much it is going to cost for me to speak for this 5 minutes. However, I am not going to allow a little thing like that to worry me, because this is something that has been going on since 1867 and it will not be changed in my time. I want to draw something to the attention of the government and I am not going to take long about it. I have never before spoken twice in the debate on the address in reply to the speech from the throne.

Many letters are arriving at our desks these days asking what the government intends to do regarding support prices on the various agricultural commodities. I want to take this opportunity of bringing this very important matter before the house at this time.

Canadian farmers have shown a strong preference for stability in the prices they receive for their products as against the wide price fluctuations that result from the operation of the so-called free market. Undoubtedly the majority, like industrial workers, prefer a reasonable, assured income to a "feast-or-famine" arrangement.

At the end of world war II, in 1944, the Agricultural Prices Support Act was passed "to ensure adequate and stable returns for agriculture" and "to secure a fair relationship between the returns from agriculture and those from other occupations". The act was continued until 1950 when it was made permanent legislation.

In practice, the act has done little to provide the farmer with a stable income but has rather been used in times of emergency, such as the 1952 foot-and-mouth disease outbreak, to ward off some of the effects of the drastic reduction in the farmers' earnings. Also, the three-man prices support board set up under the act has done little or nothing to keep farm income under review and take steps to carry out the terms of the act. This board was established to examine the need for support for various commodities from time to time. The act laid down no conditions for support and no methods for determining the extent of support. Each commodity is treated as a special case. In practice the board acts only when approached by a group of producers, or in a widely recognized emergency. At no time has a formula been set up that people would understand. When a price has been set, it seems to have been something that someone reached up in the air for and said, "That is it". There should be a formula based on the cost of production and some return for the producer, and it should be something that would apply to all the different cases. The board can only recommend, since the cabinet decides what support, if any, shall be given.

Support may apply throughout certain periods to all or to only a limited quantity of a commodity which is produced in certain areas. It may be given by offers to purchase or by guarantee of price. In 1944 a fund of $200 million was allowed, or set aside with losses to be recovered from the consolidated fund each year.

By far the greatest expenditures—about 85 per cent from 1944 to March 31, 1954—have been those made for hogs and cattle as a result of the outbreak of foot-and-mouth disease.

Most support has been short-term. Butter is the only commodity for which support prices have been announced for two year periods, but even then the announcement has been made just before the beginning of the period.

That the board deals most frequently with wholesalers and packers rather than directly with farmers has provoked strong criticism in the country. Prices are negotiated with the wholesalers and packers so that they

will be able to pay, with some profit to themselves, certain prices to producers. It has been said that farmers have received as little as 10 cents a dozen for eggs for which packers received 38 cents plus 5 cents for storage. Instances were cited in the House of Commons here of producers obtaining from $1 to $2 less in Winnipeg, and from $3 to $4 less in Saskatoon than they were entitled to per hundredweight of beef. Even when the full price has been allowed it has often not covered the farmers' costs, with the result that production was drastically reduced in the following season. In 1950 potato growers in the maritimes planted 105,000 acres of potatoes. The next year their price was supported at only $1.20 per barrel and acreage was reduced by 35 per cent. Consumers in Toronto had to pay 66 cents for 10 pounds of potatoes in January, 1952.

In its brief to the cabinet in 1953 the Canadian Federation of Agriculture stated:

> The announcement of the reduction in the floor price for hogs from 26 cents to 23 cents apparently resulted in a very serious reduction in sow breedings. . . . We believe that in the best interest of more stable production and price, it would be advisable to establish a higher floor than 23 cents in order that production might be maintained in future months at least at the level of domestic requirements.

Because of the low support price production dropped, and pork loin sold in Toronto in January, 1954, at 78 cents per pound.

Mr. Gardiner: Mr. Speaker, on a point of order, if my hon. friend were not reading his speech he could not get so far away from the facts as he has been ever since he started.

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

Mr. Bryce: Mr. Speaker, I take credit for being a better reader than some of the members on the other side of the house.

Mr. Gardiner: Some of the others stick to the truth.

Mr. Bryce: That is all right.

Mr. Knowles: And more worth reading, too.

Mr. Speaker: Order.

Mr. Bryce: Again in 1954 this protest was made by the Canadian Federation of Agriculture:

> Our federation believes that the purpose of the egg support price as a protection to producers against loss and as a stabilizing influence in the industry is not being fully achieved because the level of support is too low. . . . Study should be given to establishing equivalent support prices at the producer level.

The failure of the present policy to ensure fair and stable returns for agriculture has become increasingly evident in the past two years. In 1944, when the act was passed, the relation between the prices of farm products and the commodities and services used by farmers was fairly satisfactory. It continued to be so until 1951, although certain sections of agriculture experienced many difficulties. In 1953 general wholesale prices were 69 per cent above those of 1944. The 11 factor index of principal farm costs had risen 61 per cent and farm living costs had risen by 66 per cent, but the wholesale prices of farm products were only 40 per cent higher than those of 1944. The situation is now further deteriorating and the avowed aims of the 1944 act are far from being realized.

In its latest brief the interprovincial farm union council had this to say:

> There is only one realistic and equitable solution for this problem. That is the immediate adoption of a new national agricultural policy that will provide price guarantees for all Canadian farm products sold on domestic markets on a basis equivalent and adjusted from time to time to the cost of living index. This price, naturally, would be in line with the prices of consumer goods and services required by farmers.

The price for eggs has come under criticism by the poultry producers but while the Minister of Agriculture (Mr. Gardiner) has set the price at 38 cents the producer does not get that and in many cases takes a lot less.

Mr. Gardiner: He does if they are grade A large.

Mr. Bryce: I am delighted to hear what the minister has to say but if he mumbles I cannot hear it.

Mr. Gardiner: I never mumble.

Mr. Bryce: Let me hear what you have to say.

Mr. Speaker: Order.

Mr. Bryce: Thank you, Mr. Speaker.

Mr. Studer: Read a little slower.

Mr. Bryce: The minister has said that the egg stations should be paying at least 32 cents per dozen to the producers, but the letters that members get prove that the farmers do not receive 32 cents per dozen for their grade A eggs.

Mr. Gardiner: The minister never said that at all.

Mr. Bryce: Well—

Mr. Argue: He just prepared the text that said it.

Mr. Bryce: If you did not say it, it is just another of those things. The newspapers quoted you as saying it.

Mr. Gardiner: Oh, no. It is not one of those things, either.

Mr. Argue: The farmers get 27 cents.

Mr. Gardiner: It is 32 cents near Toronto and Montreal and there is a wider margin elsewhere.

Mr. Bryce: I will take you to Manitoba where they are getting 20 cents a dozen.

Mr. Gardiner: Yes, for nest run of eggs.

Mr. Bryce: For No. 1 eggs.

Mr. Gardiner: Oh, not under our support.

Mr. Bryce: Oh yes. I will take you there. You and I will go to Manitoba and when you come back you will know more about it.

Mr. Argue: He was there, Scottie, and that is why you are here.

Mr. Bryce: There are 400,000 people employed in connection with the dairy industry and an industry like the dairy industry should be looked after. The production, processing and distribution of dairy products, together with the beef and veal obtained from the dairy cow, make the dairy industry a vital component part of our national economy. The many butter and cheese factories and condensories in Canada, as well as the hundreds of milk plants, contribute much to our total national wealth and provide employment for a large number of Canadians. It should not be overlooked that milk is one of the most important foods in maintaining the health of our population.

The important role of the dairy industry with respect to both soil conservation and fertility is another important aspect which cannot be overlooked when estimating the significance of the industry as a whole. It is, therefore, of vital concern not only to those connected with the industry itself but to all Canadians to regard the future of our dairy industry with great care.

The amount of money that has been spent under the Agricultural Prices Support Act has been repeatedly published in the newspapers. From 1946 to March 31, 1954, $80 million was spent. Let us look at this $80 million that has been spent. The sum of $69 million was spent on beef and pork support during the foot-and-mouth disease, something the government could not help, something that nobody could help. It was a national disaster.

Mr. Studer: That is not what you said at that time.

Mr. Bryce: The $69 million should not be taken into consideration as being agricultural price support.

[Mr. Gardiner.]

Mr. Studer: That is not what you said at that time.

Mr. Speaker: Order.

Mr. Bryce: That leaves $11 million, and out of that $11 million only a little more than $1½ million went for the support of butter. On the other hand, many other products that were supported cost more than the butter support. For instance, there is gold. With the tremendous importance of the dairy industry the amount of $1½ million was well spent money to keep that industry functioning.

I am sure everyone realizes that butter or butterfat is the key to the whole dairy industry. If you do not maintain this floor price then you are going to bring calamity and disaster to the dairy industry. If the people who are idle were provided with employment no doubt they would eat butter and there would be no surplus. I want to draw to the attention of the house that I am speaking not only for myself as a farmer, but on behalf of this group, who are representative of farmers who are dependent upon the dairy industry for their livelihood. I would be bold enough to say I am speaking for 400,000 dairy farmers who are facing disaster, if the government does not announce this butter price and let those farmers know what is going to be done before the cows freshen in the spring.

Mr. J. W. Murphy (Lambton West): Mr. Speaker, I would like to assure the hon. member who just concluded his speech that he is not the only one, nor is his group the only group or party in the house that speaks for the farmers. I know he has heard a great many speeches from the official opposition since the opening of this session which should warrant his coming to the sound conclusion that if any party has spoken at this session on behalf of the farmers, there can be no mistake as to its being the official opposition.

I should like to make two or three points briefly. The first is that in the last several years many parts of Canada have experienced misfortune. Since coming to the house I recall the disaster of the Fraser river flood, the fires at Rimouski and Cabano, the Red river or Winnipeg disaster and "Hurricane Hazel" which did so much damage not only in the Toronto area but in other parts of Canada.

Nor am I unmindful of the tragedy that befell the city of Sarnia because of the tornado in 1953. It so happened that it occurred almost exactly at six o'clock in the evening when the youngsters were probably in their kitchens, and citizens were

not on the streets. Otherwise we would have suffered a terrific death toll, because on street after street buildings were blown down, and the streets were littered with fallen trees and other debris. It is miraculous that we escaped without serious death loss.

My point is that in the event of tornadoes, hurricanes or fires such as I have mentioned, or in the event of flood damage, exemptions should be given from income tax. The non-business property would be under one classification. I would suggest briefly that the difference between the value of the property immediately before the disaster and its value immediately after should be taken into consideration, and that such amount, less the insurance allocated to the insurers, should be the amount deducted for purposes of income tax.

Business loss would be in a different category, and income tax deductions could be the same as in the United States where the loss is in the proportion of the adjusted basis of the entire property which the value of the destroyed part bears to the value of the entire property. And such loss must also be reduced by any insurance or other compensations.

Mr. Speaker, some three years ago this coming April I spoke at length upon the necessity for lowering the level of the great lakes, not only because of the serious damage the lake levels have been doing to lake shore property, but for other reasons which should be taken into consideration immediately. We know that the St. Lawrence seaway project is under way, and that when it is completed the lake level will be lower than it is now. But I believe that at this time we must face the serious loss which property owners must endure before the lake level is reduced.

We have seen in the press recently that in the county of Essex and elsewhere in Ontario there is bound to be considerable damage this coming spring. And I can say without hesitation, living on the shore of lake Huron, that the high lake levels are doing a terrific amount of damage to very valuable property. I am not going to speak at length about the cause of these high levels, because there is some idea that permitting certain waters to flow into lake Superior, thus increasing the flow into lake Huron, could be controlled, and that the damage done by the increased flow is someone's responsibility. We hear it said from time to time that the federal government is responsible, or could be held responsible.

I am not arguing the merits of that particular case, but I think perhaps a sound case could be made out. The point I make is that, pending completion of the St. Lawrence seaway scheme, action must be taken now. There is action that could be taken to lower the lake levels now. We understand that when the seaway is completed the levels of lakes Huron, Ontario and Superior may be lowered by some three or four feet. At the moment however lake levels are very high. I have here a graph giving information back as far as 90 years, but unfortunately it cannot be placed on *Hansard* in this form. It is available to anyone who would like to see it, however.

Some years ago Canada was greatly alarmed about the amount of water the Chicago drainage scheme was taking from lake Michigan. I believe that at the height of intake some 9,000 cubic feet per second were going in through that scheme. Action was taken in the United States courts, and as a result this flow was reduced to about 3,200 cubic feet per second. I would suggest that this government should consult with that of the United States in an endeavour to see if we cannot put more water through that scheme now, thus lowering the level of lake Huron and the levels of the lakes and rivers between that and the St. Lawrence river. I believe this is necessary, because if we could have, let us say, 8,000 or 9,000 more cubic feet per second going through that drainage scheme the lake level would be reduced by some 12 or 15 inches within a year. And we want to have the lake level reduced.

I suggest, as I did at that time, that the Welland canal should be kept open all winter. A good deal of water can go through there, if it is kept open—and it certainly cannot if it is closed.

As stated before, consideration should be given to controlling the amount of water flowing from lake Superior into lake Huron. This is absolutely necessary and, according to engineers both in Canada and the United States, quite feasible. The Trent canal is another physical means of increasing the flow and lowering these lake levels. And the blasting of the rock at Galop, with the control system at Iroquois, is another means whereby the level of lake Huron could be reduced very rapidly.

I cannot emphasize too strongly the necessity for action now. There is no occasion to wait two or three years. Lake levels are going to be reduced, and if there is action we can take, then let us take it without delay.

Do not wait until another $4 million or $5 million worth of damage is done before any action is taken. As I said a moment ago, and I am going to repeat it, the simple way to do

it is to permit another 10,000 or 12,000 cubic feet a second to go through the Chicago drainage canal, lessen the flow from lake Superior into lake Huron by 5,000 to 7,000 cubic feet per second. That would alleviate the distress which many people in the province of Ontario are going to experience in the coming spring.

The next matter I should like to mention is the plight of the municipalities. Over the years since I have been here I have emphasized this problem, as have many members of my party. We have urged that we have a dominion-provincial conference, a continuing conference incidentally, because when there is a delay between conferences a great deal is lost. When this conference is called it is most necessary that the plight of the municipalities be one of the major considerations dealt with. We all come from a city, or a town or a rural area. There is not one person in this house who does not know the serious difficulties that the junior municipalities are facing. Unfortunately their tax revenues are practically dried up. They depend on real estate taxation, and their projects are held up. They are subject to suggestions and practically orders from senior governments to set certain standards which these municipalities cannot meet because of their narrow revenue bases. They are confronted with a rapidly developing financial crisis. Let there be no mistake about that.

The increased cost for education and highways, the increased cost of administration, and I would include in that the increased salaries of their employees such as policemen, firemen and so forth, to which they are entitled if they are to maintain a high standard of living, have become a burden. Because of the limited revenues of these municipalities their plight is becoming so acute that some action must be taken, and it can be taken only through a conference. I have suggested before in this house, and so have other members of my party—it was suggested yesterday by the hon. member for London (Mr. Mitchell)—that the municipalities should be exempt from sales tax on any purchases that they make. I have said this before, and in fact it is a plank in our platform. It is one of the soundest arguments that anyone can advance, because the provincial governments of this country are exempt from sales tax, and yet the municipal governments and the boards of education who require anything for the service of their people must pay a sales tax. Probably because of our arguments over the last several years there has been an exemption on fire equipment and road equipment if it costs $1,000 or more, but that is not good enough. The amount that could be saved by my city of Sarnia if it were exempt from sales tax would amount to something over $75,000 this year. That is no small item. In larger centres it would be many times that amount. They need it.

Another matter that I should like to mention is the payment of taxes by all crown property. Since 1945 we have argued in this house for the payment of taxes, or an amount in lieu of taxes, by crown companies and by the government on all crown properties. When I say "crown properties" I mean provincial crown property as well as federal crown property. I have pressed persistently for the taxation of crown companies or payment in lieu of taxes and I am happy to say that that formula was accepted by this government in November 1949 despite previous strong objection. We are fortunate in Sarnia in having the Polymer Corporation, one of the most successful corporations that ever operated in this or any other country. Today they pay into the coffers of the city of Sarnia some $285,000 as their share of taxes in that particular city. We do have a formula today under which, if crown property amounts to a certain percentage of the total assessment, there is some relief. That is not good enough, Mr. Speaker. I sincerely feel that all crown buildings and properties whether in the city of Ottawa, in the city of Sarnia, the city of Winnipeg, the city of Vancouver or any place else, should pay the same tax as the property next door which is owned by an individual or an industry.

I am going to say something that has not been said in this house before. The next dominion-provincial conference should deal with the science of government. May I give one illustration? Our townships and counties were laid out in the days of oxen. I will confine myself to Ontario; in fact I will confine myself to western Ontario. I have sat on a township council and I have attended county council meetings. In the county of Lambton we have 10 townships that were laid out in the days of the ox-cart. We are almost beyond the oil age and into the atomic era. We must streamline our governments, whether municipal, provincial or federal, to the needs of the day. Where we have 10 townships in my county or 12 in others, as the case may be, we could well do with four. So far as voting is concerned—I am not going into details—the county councils could be represented by population. We have to get away from this idea of adhering to something that was enacted in 1867 or 1868 as it affects the boundaries of our townships. Extra costs are imposed on the administration of our counties because they

were laid out before the days of the automobile. It is time we considered that together with the other matters which concern the plight of the municipalities.

I am going to refer to something which some people will say is a provincial matter. I am going to refer to many school sections in our province. Perhaps I should confine myself to my own. There are many school houses, the little old red school house in which the sanitary conditions are substandard. Perhaps the floors are scrubbed three or four times a year. I was amazed the other day when I read a report of a medical health officer which said that in 65 per cent of two townships the schools had substandard sanitary conditions. That also applied to the purity of the water. That may come within provincial or school board jurisdiction according to some people, but that is not the way I see it, because the health and welfare of the children of this country are the concern of everyone whether they sit in this parliament or in any junior parliament. It is about time that we put teeth into some of our laws. We hesitate to put into the batteries of our cars water that is not pure, and yet we allow our young children from coast to coast who go to these little red school houses to drink polluted or contaminated water. These municipalities need increased assistance for education and highways. I am going to suggest for consideration that when they get around to this dominion-provincial conference the municipalities be allowed the three cents per gallon gasoline tax which is now imposed and which was an extra imposition during the war. Later this government relieved us of that particular three cents. Other governments then took it upon themselves to collect it.

I have no hesitation in saying right now that I think that in order to save the municipalities from the plight they are facing they should be given some measure of revenue, and this three cents per gallon could be collected in the municipalities and would be a big factor in their being able to provide better services to the people.

The amusement tax may not mean a great deal in revenue, but I submit it should be collected by the municipalities and thus provide another means of increasing the revenues which they so badly need.

For the few minutes left at my disposal I am going to refer to a matter and I have no apology to make for doing so. During the discussion of the estimates a year ago I referred to the sale by Canadian National Railways of some property in Point Edward, which is just next door to Sarnia. It is just off the bridge crossing to Port Huron.

At that time I was wondering what had happened to some 30-odd acres lying on the shores of the river St. Clair which is part of the St. Lawrence seaway scheme. These 30-odd acres would have made an excellent industrial site and no government or government agency should have disposed of them because they were located on the banks of the seaway. No one knew better than the Canadian National Railways and the Department of Transport the full details of the seaway development. We were all assured that this was in the offing, and yet we find that these 30-odd acres were sold for $10,500, about half the price of good farm land in western Ontario.

As I say, this was a choice industrial site, or even a residential site. Let me say for the record that good industrial sites are being purchased in that area by the chemical industries at prices up to $2,000 or more an acre. Yet we find the Canadian National Railways which owned this particular property selling it for the small sum of $10,500.

I can understand the Minister of Transport (Mr. Marler) not answering my question but in fact it gave me free-wheeling to discuss it. I understand that part of this property has been sold for residential purposes at somewhere around $45,000 and no doubt the remainder will be sold for the same amount. This sale was made within months of the purchase.

There may be some significance in the fact that the purchaser, who happened to have been the Liberal defeated candidate in the last election, purchased this property just after the 1949 election.

Another piece of property comprising about 14 acres was sold for $8,000-odd. This adjoined the other property I just mentioned. Within months of its being purchased from the Canadian National Railways part of it was sold for $45,000.

It is about time that somebody in this house had the courage and conviction to say to the C.N.R. officials that somebody in Canada is entitled to think for himself. Apparently they want to save us the painful chore of thinking for ourselves. In view of what I have told the house tonight I am saying that we have in that system $2,000 or $3,000 men who are drawing $10,000, $15,000 or more a year. Surely anyone who would make such a silly, asinine decision is not competent to hold a $10,000 or $15,000 job.

The matter of weeding out inefficiency is just as indispensable in our system as is the rewarding of the energetic and efficient. We must never lose sight of the fact that our so-called profit system is a profit and loss

system. I think it is about time that the officials in the Canadian National Railways woke up and found that out.

In this chemical valley of Canada we find the Canadian National Telegraphs office located in an old passenger railway car down on the waterfront, a location which certainly is not a credit to the Canadian National Railways. They need not wonder why they are not getting their share of the business; neither is it fair to the employees.

The staff of the Canadian National express are housed in another old passenger car up by the railway sheds. If you call that efficiency and sound business I must say that I disagree with you.

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, I do not intend to delay the house for more than a few minutes before this subamendment is voted on. The subamendment as moved by the hon. member for New Westminster (Mr. Hahn) reads:

> We further regret that Your Excellency's advisers have failed to take or to recommend the necessary fundamental economic and financial measures to place Canadian producers and workers on a sound and prosperous basis, and to ensure our economy against recurring recessions.

To me that is only an anaemic mockery of the amendment moved by the official opposition. It does not appear to me to be an amendment at all. It is only a watered-down reiteration of the amendment which it is supposed to amend.

If members of the Social Credit party are so serious in their admiration of our amendment that they want to try to copy it, then rather than trying to amend it I think they should support it.

I may say that we in the official opposition have no intention of supporting it. There is nothing new in the subamendment and there is no reason that I can see why this party should support it. I am not going to enlarge on our reasons. We have no confidence in that party. I do not think they will ever have a chance to put such a motion into effect.

I have no confidence in the subamendment. It simply mimics the amendment we have moved and therefore I intend to vote against it. I hope my party will vote against it.

Mr. MacInnis: Mr. Speaker—

Mr. Harris: May I ask the hon. member if it would be possible for him to make his views known at this time so that we could have a vote on the one subamendment.

An hon. Member: Ten o'clock.

[Mr. Murphy (Lambton West).]

Mr. MacInnis: I cannot very well accommodate the leader of the house unless I have unanimous support, which apparently I have not.

Some hon. Members: Go ahead.

Mr. Angus MacInnis (Vancouver-Kingsway): I shall not detain the house for more than a few minutes. I want to do something similar to that done by the Acting Leader of the Opposition (Mr. Rowe) when he spoke a moment ago. I want to state our position in regard to the amendment to the amendment moved by the Social Credit member for New Westminster (Mr. Hahn) yesterday. The amendment reads:

> We further regret that Your Excellency's advisers have failed to take or to recommend the necessary fundamental economic and financial measures to place Canadian producers and workers on a sound and prosperous basis, and to ensure our economy against recurring recessions.

We are able to vote for that subamendment, Mr. Speaker, because it is the kind of subamendment we have been moving on such occasions as this in this house for the last, I do not know how many years. As a matter of fact, it is the kind of subamendment we moved to this address which was voted upon the other day. When I heard that the genial member for New Westminster was going to move the amendment for the Social Credit party, I knew it would be an innocent, reasonable amendment for which any reasonable person could vote, that is any reasonable person who wanted to see the government do something to keep the economy going. If the amendment had been moved by my stern friend the hon. member for Macleod (Mr. Hansell) or by the very knowledgeable member for Lethbridge (Mr. Blackmore), I am sure it would have been quite a different amendment. Perhaps we would not have been able to vote for it. As I said, the amendment is quite a reasonable one which regrets that the government has not done certain things.

The only way in which we differ from both the members on my left and the members on my right is that they insist the government should do things but they are always unwilling to give the government the necessary means of control to do those things. If you ask the hired man to do something, you have to give him the tools to do the job. You cannot complain about controls or that the government interferes and at the same time expect the government to promote business. At least, you cannot logically do that, but I have long ago given up expecting logic of the members either to my right or to my left. For that reason,

we are going to vote for the subamendment. We are not playing politics. It is something we do because we want to do it.

I should like to refer to one other matter. When the Acting Leader of the Opposition (Mr. Rowe) was speaking in this house on Tuesday night, he said, as reported at page 756 of *Hansard* for February 1, 1955:

> I have never doubted the integrity of purpose of hon. members, not even my hon. friends to my left.

Well, you know that sort of patronizing attitude gets my goat. Even the members to his left! Surely, the hon. gentleman does not think he is better than we are. Supposing I say I have never doubted the integrity of hon. members, even of the member for Dufferin-Simcoe (Mr. Rowe)? We are members who, I think, are just as highly respected in our several communities as any other hon. member either on this side or on that side of the house.

Some hon. Members: Hear, hear.

Mr. MacInnis: When my friend has to find fault with us, I imagine there is a great deal in our program and in our policies that could be legitimately criticized by people who do not agree with it. Nevertheless, I want to tell members in this house that there are very few men, women and children in this dominion who are not better off today because there is a C.C.F. party.

Let me read to you from an editorial that appeared in one of the Vancouver newspapers some time ago concerning this party. It says:

> Canada needs a strong party of the left, a party of protest, a party which advocates policies entirely opposed to those of the existing government. The Co-operative Commonwealth Federation is that party and it is doing a good job . . .

This newspaper is the Vancouver *Sun*.

> This newspaper does not believe in the socialist theories of the C.C.F., but it believes in letting the people judge these theories for themselves.

Then the editorial finishes in this way:

> It has been the C.C.F. in British Columbia and in Canada, fighting day in and day out for the poor people, that has compelled the government to progress, to adopt reforms which otherwise would not have been adopted . . . the C.C.F. remains the only sure voice of social protest in the country.

Mr. Gagnon: Huh.

Mr. MacInnis: You can "huh" as much as you like, but you cannot "huh" that off.

Mr. Dufresne: Who wrote that?

Mr. MacInnis: The Vancouver *Sun*, a Liberal paper. I have no doubt I could get an equally good editorial from a Conservative paper. As a matter of fact, when election day comes around there is no political party in this house that has anything to offer that has any appeal to the mass of the people except some of the things that the C.C.F. has popularized.

Mr. Dufresne: You haven't a monopoly.

Mr. MacInnis: All right, so we have not a monopoly. It is there for you to have if you want it. We would not want a monopoly if that were possible. We do not care who brings these things about, as long as things are done for the people of Canada.

Now, Mr. Speaker, I could say much more along the same line, but I just wish to say again—

Mr. Dufresne: Again?

Mr. MacInnis: Does my friend want me to continue? He can easily say so, if that is what he wishes. When anyone is enjoying what I am saying I can go on for hours.

I say again that we are voting for this amendment because we feel that it justifiably criticizes the government for not doing the things that it should do to take care of the people in the country who are unable to take care of themselves.

The house divided on the amendment to the amendment (Mr. Hahn) which was negatived on the following division:

YEAS

Messrs:

Argue
Barnett
Blackmore
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Castleden
Coldwell
Ellis
Gagnon
Hahn
Hansell
Herridge
Holowach
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
MacInnis
McCullough (Moose Mountain)
McLeod
Nicholson
Noseworthy
Patterson
Quelch
Regier
Shaw
Stewart (Winnipeg North)
Thatcher
Thomas
Winch
Zaplitny—35.

NAYS

Messrs:

Aitken, Miss
Anderson
Applewhaite
Arsenault
Ashbourne
Balcer
Batten
Bell
Bennett (Grey North)
Bennett, Miss (Halton)
Bertrand
Blair
Blanchette
Boisvert
Bonnier
Boucher (Chateauguay-Huntingdon-Laprairie)
Bourget
Bourque
Breton
Brisson
Brooks
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)

Cannon	James
Cardiff	Jutras
Caron	Kickham
Carrick	Kirk (Antigonish-Guysborough)
Cavers	Kirk (Shelburne-Yarmouth-Clare)
Charlton	Lafontaine
Churchill	Lapointe
Crestohl	Lavigne
Denis	Leduc (Jacques Cartier-Lasalle)
Deschatelets	Leduc (Verdun)
Deslieres	Lefrançois
Dickey	Legare
Dinsdale	Lesage
Dufresne	Lusby
Dumas	Macdonnell
Eyre	MacDougall
Fleming	MacEachen
Follwell	MacLean
Fraser (St. John's East)	MacNaught
Fulton	McBain
Gardiner	McCann
Garson	McCulloch (Pictou)
Gauthier (Lake St. John)	McGregor
Gauthier (Portneuf)	McMillan
Gingras	Maltais
Gingues	Mang
Goode	Marler
Gour (Russell)	Masse
Green	Matheson
Gregg	Meunier
Habel	Michaud
Hamilton (Notre Dame de Grace)	Michener
Hamilton (York West)	Monette
Hanna	Monteith
Hardie	Montgomery
Harkness	Murphy (Lambton West)
Harris	Nesbitt
Harrison	Nixon
Healy	Pallett
Hees	Pearkes
Hellyer	Philpott
Henderson	Pickersgill
Henry	Pinard
Hodgson	Pommer
Hosking	Pouliot
Howe (Port Arthur)	Power (Quebec South)
Howe (Wellington-Huron)	Power (St. John's West)
Huffman	Prudham
Hunter	Purdy
Jamieson	Ratelle
Jones	Reinke
Kennedy	Richard (Ottawa East)
Kindt	Richardson
Klein	Roberge
Knowles	Robinson (Bruce)
Lachance	Robinson (Simcoe East)
Lambert	Rouleau
Lamoureux	Rowe
Langlois	Schneider
Laprise	Shipley, Mrs.
Lessard	Small
Loiselle	Smith
Macaluso	Stanton
MacDonald	Starr
MacEwan	Stick
MacInnis	Stuart (Charlotte)
MacKenzie	Studer
Macquarrie	Thibault
Martel	Trainor
Matte	Tucker
McBride	Tustin
McCleave	Valois
McGee	Viau
McIlraith	Villeneuve
McIntosh	Weaver
McLarty	Weir
McNulty	Weselak
Millar	White (Hastings-Frontenac)
Moreau	White (Middlesex East)
Morison	White (Waterloo South)
Nasserden	Winters—158.

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

Mr. Hansell: No, we are not ready for the question. I move the adjournment of the debate.

On motion of Mr. Hansell the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris moved the adjournment of the house.

He said: Mr. Speaker, should it happen that this debate is concluded tomorrow, and we all hope it will be very shortly after we resume at 2.30, we shall then take second reading of Bill No. 3, with respect to the construction, operation and maintenance of international river improvements, followed by second reading of Bill No. 4, to regulate the exportation of power and fluids and the importation of gas.

Motion agreed to and the house adjourned at 10.30 p.m.

HOUSE OF COMMONS

Friday, February 4, 1955

The house met at 2.30 p.m.

BRITISH COMMONWEALTH

PAKISTAN TO BECOME INDEPENDENT REPUBLIC WITHIN COMMONWEALTH

Right Hon. C. D. Howe (Acting Prime Minister): Mr. Speaker, I desire to inform the house of a declaration issued from the prime ministers' conference at two p.m. eastern standard time today, as follows:

The government of Pakistan have informed the other governments of the commonwealth of the intention of the Pakistan people that, under the new constitution which is about to be adopted, Pakistan shall become a sovereign, independent republic. The government of Pakistan have, however, declared and affirmed Pakistan's desire to continue her full membership of the commonwealth of nations and her acceptance of the Queen as the symbol of the free association of its independent member nations, and as such the head of the commonwealth. The governments of the United Kingdom, Canada, Australia, New Zealand, South Africa and Ceylon, the basis of whose membership is not hereby changed, accept and recognize Pakistan's continuing membership in accordance with the terms of this declaration. The government of India, the basis of whose membership is also unaltered, similarly recognize Pakistan's continuing membership.

In notifying the other prime ministers of Pakistan's intention, Mr. Mohammed Ali reaffirmed his country's steadfast adherence to the commonwealth. The other prime ministers, in accepting this proposal, welcomed Pakistan's continued association and co-operation as a member of the commonwealth and assured Mr. Mohammed Ali that the friendship and good will of their countries towards Pakistan would remain unaffected by this constitutional change.

Accordingly, the United Kingdom, Canada, Australia, New Zealand, South Africa, India, Pakistan and Ceylon hereby declare, as they did in 1949 when a similar decision was taken in respect of India, that they remain united as free and equal members of the commonwealth of nations, freely co-operating in the pursuit of peace, liberty and progress.

I am sure, Mr. Speaker, all hon. members and all Canadians will rejoice in this new demonstration of the traditional capacity of the commonwealth to strengthen its unity of purpose while adapting its organization and procedures to changed circumstances. Everyone will rejoice in the fact that, notwithstanding the exercise by the people of Pakistan of their right to determine the form of their domestic government, it has been found possible to have Pakistan remain a member of the commonwealth and to continue for the peace of the world the association of those nations whose traditions give them the same concept of a proper way of living and of democratic processes designed to further the welfare of the men and women of their respective nations.

STANDING COMMITTEES

Mr. W. G. Weir (Portage-Neepawa) presented the report of the special committee appointed to prepare and report lists of members to compose the standing committees of the house, as follows:

PRIVILEGES AND ELECTIONS

Messrs:

Balcer	Lefrancois
Bourque	MacDougall
Bryson	MacKenzie
Cardin	McWilliam
Carter	Meunier
Cavers	Murphy (Lambton West)
Churchill	Nowlan
Dechene	Pallett
Dickey	Pouliot
Ellis	Richard (Ottawa East)
Fraser (Peterborough)	Viau
Hansell	Vincent
Harrison	White (Waterloo South)
Hollingworth	Zaplitny—29
Leboe	

(Quorum—10)

RAILWAYS, CANALS AND TELEGRAPH LINES

Messrs:

Barnett	Hamilton (York West)
Batten	Harrison
Bell	Healy
Bonnier	Herridge
Boucher (Restigouche-Madawaska)	Hodgson
	Hosking
Boucher (Chateauguay-Huntingdon-Laprairie)	Howe (Wellington-Huron)
Buchanan	James
Byrne	Johnston (Bow River)
Campbell	Kickham
Carrick	Lafontaine
Carter	Langlois (Gaspe)
Cauchon	Lavigne
Cavers	Leboe
Clark	Low
Decore	McCulloch (Pictou)
Deschatelets	McIvor
Dupuis	Meunier
Ellis	Montgomery
Follwell	Murphy (Lambton West)
Fulton	Murphy (Westmorland)
Gagnon	Nicholson
Garland	Nickle
Gauthier (Lake St. John)	Purdy
Goode	Ross
Gourd (Chapleau)	Small
Green	Stanton
Habel	Viau
Hahn	Villeneuve
Hamilton (Notre Dame de Grace)	Vincent
	Weselak—60

(Quorum—20)

Standing Committees

MISCELLANEOUS PRIVATE BILLS

Messrs:

Anderson
Balcom
Batten
Bennett, Miss
Blair
Brooks
Brown (Brantford)
Cameron (High Park)
Carter
Decore
Dinsdale
Ellis
Enfield
Eyre
Fairey
Ferguson
Forgie
Garland
Girard
Hansell
Hees
Hosking
Houck
Hunter
Knight
Langlois (Berthier-Maskinonge-Delanaudiere)
Leduc (Jacques Cartier-Lasalle)
Lennard
Lusby
MacDougall
Macnaughton
Mang
Matheson
McCubbin
McCullough (Moose Mountain)
McWilliam
Murphy (Westmorland)
Perron
Pommer
Proudfoot
Regier
Reinke
Roberge
Roy
Thomas
Weaver
White (Hastings-Frontenac)
White (Middlesex East)
White (Waterloo South)
Wylie—50

(Quorum—15)

BANKING AND COMMERCE

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Benidickson
Bennett (Grey North)
Blackmore
Boucher (Restigouche-Madawaska)
Cameron (Nanaimo)
Cannon
Cardin
Crestohl
Croll
Dufresne
Dumas
Fleming
Follwell
Fraser (Peterborough)
Fraser (St. John's East)
Fulton
Gagnon
Hanna
Hellyer
Henderson
Huffman
Hunter
Johnson (Kindersley)
Low
Macdonnell
MacEachen
Macnaughton
Matheson
Michener
Mitchell (London)
Monteith
Nickle
Noseworthy
Pallett
Philpott
Picard
Pouliot
Quelch
Richardson
Robichaud
Rouleau
Stewart (Winnipeg North)
Tucker
Viau
Weaver—50

(Quorum—15)

PUBLIC ACCOUNTS

Messrs:

Anderson
Applewhaite
Argue
Ashbourne
Balcer
Balcom
Beaudry
Boisvert
Boucher (Restigouche-Madawaska)
Bruneau
Cameron (High Park)
Cannon
Cauchon
Cavers
Cloutier
Denis
Goode
Green
Hanna
Harkness
Hees
Henderson
Hollingworth
Holowach
Houck
Kickham
Kirk (Antigonish-Guysborough)
Leduc (Jacques Cartier-Lasalle)
Macdonnell
Maltais
McLeod
McWilliam
Mitchell (London)
Mitchell (Sudbury)
Monteith
Murphy (Lambton West)
Noseworthy
Nowlan
Pearkes
Picard
Pommer
Poulin
Power (St. John's West)
Proudfoot
Regier
Schneider
Thatcher
Thomas
Tucker
Weaver—50

(Quorum—15)

AGRICULTURE AND COLONIZATION

Messrs:

Anderson
Argue
Batten
Boucher (Chateauguay-Huntingdon-Laprairie)
Breton
Bruneau
Bryce
Byrne
Cardiff
Castleden
Charlton
Clark
Decore
Demers
Deslieres
Diefenbaker
Dinsdale
Fontaine
Forgie
Gingras
Goode
Gour (Russell)
Harkness
Huffman
Johnson (Kindersley)
Jones
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Leboe
Legare
Lusby
MacKenzie
MacLean
Mang
Masse
Matheson
McBain
McCubbin
Michaud
Montgomery
Murphy (Westmorland)
Perron
Pommer
Poulin
Proudfoot
Purdy
Quelch
Roberge
Robinson (Bruce)
Roy
Schneider
Stanton
Stick
Studer
Villeneuve
White (Middlesex East)
White (Waterloo South)
Wylie
Yuill—60

(Quorum—20)

STANDING ORDERS

Messrs:

Aitken, Miss
Buchanan
Carter
Denis
Fairey
Fontaine
Forgie
Green
Hanna
Harrison
Hollingworth
Knowles
Michaud
Monette
Perron
Quelch
Robinson (Bruce)
Rochefort
Viau
Winch—20

(Quorum—8)

MARINE AND FISHERIES

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Barnett
Bell
Bennett (Grey North)
Boivin
Brisson
Bryce
Cameron (Nanaimo)
Cannon
Ferguson
Goode
Hardie
Harrison
Henderson
Hodgson

Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
MacLean
MacNaught
Maltais
Matheson
McDonald
Nowlan
Patterson
Pearkes
Robichaud
Stick
Stuart (Charlotte)
Thibault
Thomas
Trainor
Weselak—35

(Quorum—10)

MINES, FORESTS AND WATERS

Messrs:

Boucher (Restigouche-Madawaska)
Brisson
Brooks
Buchanan
Byrne
Carter
Dickey
Dumas
Eyre
Garland
Gauthier (Nickel Belt)
Hardie
Harkness
Herridge
Hosking
LaCroix
Lafontaine
Leboe
Leduc (Jacques Cartier-Lasalle)
Leduc (Gatineau)
Low
MacLean
McCullough (Moose Mountain)
Mitchell (Sudbury)
Pearkes
Ratelle
Richard (St. Maurice-Lafleche)
Robichaud
Rowe
Shipley, Mrs.
Studer
Trainor
Tustin
Weselak
Winch—35

(Quorum—10)

INDUSTRIAL RELATIONS

Messrs:

Bell
Brown (Essex West)
Brown (Brantford)
Byrne
Cauchon
Churchill
Cloutier
Croll
Deschatelets
Dufresne
Fairclough, Mrs.
Fraser (St. John's East)
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gillis
Hahn
Hardie
Johnston (Bow River)
Knowles
Leduc (Verdun)
Lusby
MacEachen
MacInnis
Michener
Murphy (Westmorland)
Nixon
Richardson
Ross
Rouleau
Simmons
Small
Starr
Studer
Viau
Vincent—35

(Quorum—10)

DEBATES

Messrs:

Balcer
Enfield
Hees
Jutras
McLeod
Meunier
Michaud
Nicholson
Power (St. John's West)
Purdy
Rowe
Simmons—12

(Quorum—7)

EXTERNAL AFFAIRS

Messrs:

Aitken, Miss
Balcer
Bell
Boisvert
Breton
Cannon
Cardin
Coldwell
Crestohl
Croll
Decore
Diefenbaker

Joint Committees

Fleming
Garland
Gauthier (Lake St. John)
Goode
Henry
James
Jutras
Kirk (Shelburne-Yarmouth-Clare)
Knowles
Low
Lusby
MacInnis
MacKenzie
Macnaughton
McMillan
Patterson
Pearkes
Picard
Richard (Ottawa East)
Starr
Stick
Stuart (Charlotte)
Studer—35

(Quorum—10)

Mr. Weir moved that the report be concurred in.

Motion agreed to.

POWERS OF COMMITTEES

Right Hon. C. D. Howe (Acting Prime Minister) moved:

That the standing committees of this house shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the house, and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Motion agreed to.

PRINTING OF PARLIAMENT

Mr. W. G. Weir (Portage-Neepawa) moved:

That a message be sent to the Senate to acquaint Their Honours that this house will unite with them in the formation of a joint committee of both houses on the subject of the printing of parliament, and that the following members, namely: Messrs. Ashbourne, Bertrand, Blair, Boivin, Bonnier, Boucher (Restigouche-Madawaska), Brown (Brantford), Bryson, Campbell, Cardiff, Charlton, Dechene, Dickey, Fairclough, Mrs., Fairey, Fontaine, Gingras, Girard, Gour (Russell), Habel, Hansell, Healy, Hodgson, Houck, Howe (Wellington-Huron), Huffman, James, Johnson (Kindersley), Kickham, Langlois (Berthier-Maskinonge-Delanaudiere), Lefrançois, MacEachen, Maltais, Mang, McGregor, McIvor, McWilliam, Patterson, Pommer, Regier, Robinson (Bruce), Rochefort, Schneider, Simmons, Small, Smith, Stanton, Stick, Thibault, Tustin, Valois, Weaver, Wylie and Zaplitny, will act as members on the part of this house on the said joint committee on the printing of parliament.

Motion agreed to.

LIBRARY OF PARLIAMENT

Mr. W. G. Weir (Portage-Neepawa) moved:

That a message be sent to the Senate to acquaint Their Honours that this house has appointed Messrs. Applewhaite, Bertrand, Bourque, Brown (Essex West), Carrick, Castleden, Coldwell, Dechene, Dinsdale, Fraser (Peterborough), Fraser (St. John's East), Gingues, Gourd (Chapleau), Habel, Hamilton (York West), Hansell, Hellyer, Henderson, Howe (Wellington-Huron), Hunter, Jones, Jutras, Kirk (Shelburne-Yarmouth-Clare), Knight, LaCroix, Leboe, Leduc (Gatineau), McCulloch (Pictou), McGregor, McWilliam, Philpott, Pickersgill, Pouliot, Ratelle, Reinke, Robinson (Bruce), Shaw, Small, Smith, Thibault, Tucker, Tustin, Weselak and White (Middlesex East), a committee to assist His Honour the

Inquiries of the Ministry

Speaker in the direction of the library of parliament so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a joint committee of both houses on the library.

Motion agreed to.

PARLIAMENTARY RESTAURANT

Mr. W. G. Weir (Portage-Neepawa) moved:

That a message be sent to the Senate to acquaint Their Honours that this house has appointed Miss Bennett, Messrs. Caron, Ferguson, Gauthier (Nickel Belt), Gingues, Gour (Russell), Hardie, Harkness, Herridge, MacNaught, Mang, Masse, McCulloch (Pictou), McGregor, Michaud, Monette, Pommer, Richard (Ottawa East), Mrs. Shipley, Messrs. Simmons, Stewart (Winnipeg North), Stick, White (Hastings-Frontenac) and Yuill, to assist His Honour the Speaker in the direction of the restaurant so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a joint committee of both houses on the parliamentary restaurant.

Motion agreed to.

CANADA GRAIN ACT

AMENDMENT TO PROVIDE FOR FAIR ALLOCATION OF BOX CARS

Mr. H. R. Argue (Assiniboia) moved for leave to introduce Bill No. 22, to amend the Canada Grain Act (distribution of box cars).

Motion agreed to and bill read the first time.

WAR VETERANS ALLOWANCE ACT

AMENDMENTS TO INCREASE ALLOWANCES AND PERMISSIBLE INCOME, ETC.

Hon. W. E. Harris (for the Minister of Veterans Affairs) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to amend the War Veterans Allowance Act to increase the allowances and the permissible income; to further extend the benefits of the act; and also to provide for the salaries of the board.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the house.

Motion agreed to.

LABOUR CONDITIONS

REFERENCE TO POSSIBLE STRIKE BY C.B.C. EMPLOYEES

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, may I ask the Minister of National Revenue what the government or the Canadian Broadcasting Corporation propose to do about the threatened strike of technicians employed by the Canadian Broadcasting Corporation, which seems likely to occur.

[Mr. Weir.]

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, I cannot say offhand just how the corporation proposes to meet this situation but they have made plans to carry on on a temporary and part-time basis should a strike occur. I was speaking to the officials of the corporation just a short while ago and I can say to the house and to the public that they are prepared to carry on further negotiations with the employees if such request is made on behalf of the employees.

Mr. Fleming: Is the minister in a position to indicate to what extent the corporation thinks it can carry on operations should a strike occur?

Mr. McCann: No, I am not in a position to answer that. I can say that the majority report of the board of conciliation is such that the C.B.C. is prepared to accept it and act accordingly.

CANADIAN NATIONAL RAILWAYS

REPORTED REPLACEMENT OF MANAGEMENT PERSONNEL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask the Minister of Transport if he will comment on a report in today's Winnipeg *Free Press*, a copy of which I sent to him, which makes reference to statements made in Winnipeg last night by Mr. F. H. Keefe, general manager of Canadian National western lines. He is reported to have said, "We have been told that this year we must reduce our annual—

Some hon. Members: Question.

Mr. Speaker: Does the hon. gentleman feel that he must quote the statement of the gentleman in question in order to ask his question? Our rules do not allow that.

Mr. Knowles: I recognize that, but I feel that the statement, which is brief, is important to asking the question.

An hon. Member: Against the rules.

Mr. Howe (Port Arthur): Keep to the rules.

Mr. Speaker: If the hon. member has sent a copy of the statement to the minister does he not think that that is sufficient?

Mr. Knowles: If the minister will read the copy of the statement I will be satisfied not to do so. Will he comment on the statement, a copy of which I sent him, and indicate who are included in the management who will be replaced, as is announced in the statement?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, the hon. member was good enough to send me notice that he proposed to ask a question based on this news report which is said to be appearing in today's issue of the Winnipeg *Free Press*. I received this advice only shortly before I came into the house. The news item includes what purports to be a quotation from an address by Mr. F. H. Keefe, general manager of the Canadian National western region to Beaver lodge, local 691, brotherhood of railroad trainmen, and I am asked to comment on what is reported to have been said by Mr. Keefe on that occasion.

I am sure that the house and the hon. member will appreciate that I could not expect to be supplied with up-to-date information as to what may or may not be said by officers of the railway when fulfilling engagements to speak to audiences who have seen fit to invite them. In the circumstances it is necessary for me to refer the hon. member's remarks to the management so that they may make whatever inquiries are appropriate. I shall be glad to consider when those inquiries have been made whether I should make any further comment on this statement alleged to have been made by Mr. Keefe.

Mr. Knowles: May I ask a supplementary question. When the minister is seeking information from the management will he ascertain whether this report is correct and just what members of—

Some hon. Members: Question.

Mr. Knowles: Will the management carry out further lay-offs in order to prevent themselves from being replaced?

Mr. Marler: I shall make the appropriate inquiries in order to give my hon. friend the appropriate answer.

NATIONAL REVENUE

LOCATION OF INCOME TAX OFFICES IN BRITISH COLUMBIA

On the orders of the day:

Mr. O. L. Jones (Okanagan Boundary): Mr. Speaker, I should like to ask the Minister of National Revenue if the Department of National Revenue has decided to open new income tax offices in the interior of British Columbia. If so, in what towns will the said offices be located and when will they be opened for service?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, the hon. member was good enough to give me notice of his question. In reply to the first part, it will not be new offices, but the answer is yes, one office. As to the town in which said office will be located, that has not yet been decided as we want to give the public the best possible services in the best possible location.

GRAIN

FREIGHT ASSISTANCE—REFERENCE TO STATEMENT BY MINISTER OF FISHERIES

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I should like to direct a question to the Minister of Agriculture, notice of which I have sent him. In view of newspaper reports that the Minister of Fisheries (Mr. Sinclair) was requesting that the reduction in freight rate assistance on feed grain being shipped to British Columbia be carried out on a graduated basis, and in view of previous representations made by the member for New Westminster (Mr. Hahn) with respect to this same question, would the minister state whether or not he is contemplating revising his previous statement regarding this matter.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the hon. member was good enough to send me a copy of his question. I think of necessity my reply will have to be somewhat along the line of the reply given a few moments ago. I have not been in the habit of communicating with the Minister of Fisheries or any other minister of the government through the press. I have not seen the report and do not know if it reports the minister correctly. I have been in communication with the minister by telephone and wire and no change has taken place in the decision reached as a result. If any such changes are made I shall announce them to the house in due course.

NATIONAL DEFENCE

GAGETOWN CAMP—SETTLEMENT OF PROPERTY CLAIMS

On the orders of the day:

Mr. A. J. Brooks (Royal): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Is the minister aware that a considerable number of former owners of property in the Gagetown camp area have not agreed to settlement of their claims and consequently have not received payment for property taken over by the department, nor have arbitration proceedings or legal action been started? In consideration of the serious financial position in which these people are

placed as a result, will the department arrange for part payment of these claims pending future settlement?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I wish to thank the hon. member for giving me notice of his question. I find that out of 1,630 claims involved in the Gagetown expropriation, over 92 per cent have been settled amicably, and without resort to litigation—which I think constitutes a very excellent record on the part of the departmental officers.

Of the claims where settlement is still uncompleted, some are delayed because the owners or heirs cannot be found, or because the owners or heirs of estates cannot agree as to their own idea of price, or for various other technical reasons.

I might say that expropriation proceedings are about to be initiated in a few cases. Cash advances have been made on a number of occasions to persons whose property has not yet been settled for, where need has been demonstrated, I was of the view that all such cases had been taken care of, but if the hon. member knows of any persons who are suffering hardship among the few that are left, and will give me their names, I shall be pleased to have such cases looked into.

NATURAL GAS

SIGNING OF CONTRACTS BETWEEN PRODUCERS AND PIPE-LINE COMPANY

On the orders of the day:

Mr. Carl O. Nickle (Calgary South): Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce. Could the minister explain why no natural gas purchase contracts have yet been signed between western Canadian gas producers and Trans-Canada Pipe Lines Limited? Is this government prepared to take action to remove the reasons for unwillingness of producers to sign contracts with the pipe-line company?

Right Hon. C. D. Howe (Minister of Trade and Commerce): My hon. friend evidently has much more information about the subject than I have. He evidently is in close touch with the people for whom he is asking the question and I suggest he seek information there.

Mr. Nickle: I should like to ask a supplementary question. Could the minister explain why eastern Canadian utilities have been and are hesitant to sign gas purchase contracts with Trans-Canada Pipe Lines, and why to date only one contract—amounting to only about 15 per cent of the hoped for eastern market—has been signed?

Some hon. Members: Order.

Mr. Speaker: I would ask the hon. member for Calgary South if, by his question, he is now seeking information?

Mr. Nickle: I am.

Mr. Speaker: In it he is giving a great deal of information.

Mr. Howe (Port Arthur): If it is information, Mr. Speaker.

Mr. Nickle: If there is no answer, I would like to ask a further supplementary question—and this, I think, is one which the minister could see fit to answer. Is the minister aware that capture by western Canadian gas of a part of the Minneapolis region market in the United States mid-west is in jeopardy because Trans-Canada Pipe Lines is unable at the current federal power commission hearings to show proof of gas purchase contracts, or security of supply and price for American consumers, or to provide complete assurance that its project can be financed?

Mr. Speaker: Order. Of course when these questions are being asked, the rules do not provide notice be sent to me. I am not aware of what the questions contain until I hear them.

The hon. member has asked the minister to explain three sets of situations, and he has outlined the situations he wants to have explained. That is not my conception of questions being asked for the purpose of seeking information. The hon. member, by way of supplementary questions, cannot and should not, in my view, question the minister further by supplying a whole list of information on which he wants to have an explanation.

There is a committee of supply in which various departmental policies and administrative measures are discussed, and where questions of the kind the hon. member has in mind can be asked. I feel there are a good many questions which could wait until the committee of supply is established. When the various departments are called there is an opportunity for discussion on the first item, at which time the minister can be asked what is to be done with respect to certain legislative measures. I imagine the hon. member might wait until the committee of supply to have these questions dealt with.

[*Later:*]

Mr. Nickle: I should like to direct a supplementary question to the Minister of Trade and Commerce. Is the minister now or will

he be shortly in a position to give an explanation or at least a statement to this house concerning the critical matter with respect to natural gas pipe lines to which I have made previous allusion?

Mr. Howe (Port Arthur): Mr. Speaker, I am not in a position to do so at the moment. Whether I will be in the future, I cannot say. But if I make a statement in the future, he will know that I am then ready.

CUSTOMS TARIFF

REPORT ON STUDY OF RATES ON IMPORTS OF ETHYLENE GLYCOL

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, I should like to ask a question of the Minister of Finance. Is it the intention of the minister to report to the house on the study of tariff rates by the tariff board on imports of ethylene glycol, requested by the former minister of finance last year. If so, when may the house expect such a report?

Hon. W. E. Harris (Minister of Finance): I have not received the report myself, but I shall make inquiries and advise my hon. friend.

PRAIRIE FARM ASSISTANCE

REQUEST FOR INFORMATION ON APPLICATION OF ACT IN MANITOBA

On the orders of the day:

Mr. William Bryce (Selkirk): Mr. Speaker, I should like to ask a question of the Minister of Agriculture. In reply to a question on Tuesday last with regard to the Prairie Farm Assistance Act, the minister stated the act applied to all parts of Manitoba. Would he now state if that is the correct situation and, if not, what parts of Manitoba are not included under the Prairie Farm Assistance Act.

Right Hon. J. G. Gardiner (Minister of Agriculture): The answer I gave a few days ago to the question was as follows:

> But the Prairie Farm Assistance Act applies all over the settled portion of the province of Manitoba, and the Prairie Farm Rehabilitation Act does not.

Now, it would be difficult for me to go over the province of Manitoba and give the sections of land upon which people may be settled and to which it does not apply. I would refer the hon. member to the act—particularly to the Prairie Farm Assistance Act section 2 (1) (k) and the Prairie Farm Assistance Act section 3 (3) (c), and to an amendment brought in in 1952-53, which is section 1 (1) (7). And by reading those and the remainder of the act, it will be apparent to him what parts are covered.

Mr. Bryce: May I ask a supplementary question. Is there any possibility of amendments being brought in at this session to take care of cultivated land that is not being taken care of under the Prairie Farm Assistance Act?

Mr. Gardiner: All cultivated land, except that which was settled on and which had previously been provincial land prior to December 31, 1940, is covered in Manitoba. But as to just where those lands are, it is difficult for me to say in answer to this question.

[Later:]

REQUEST THAT PAYMENTS UNDER ACT BE DOUBLED

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, I should like to ask a question of the Minister of Agriculture. Has the minister or the government received a request from the interprovincial farm union council asking that the government double the payments under the Prairie Farm Assistance Act for 1954 as an emergency measure? If so, would the minister like to comment on this request at this time?

Right Hon. J. G. Gardiner (Minister of Agriculture): I am not sure whether I received such a request from the organization spoken of, but I have received such requests from different organizations. I am not in a position to comment further than that at the moment.

NATIONAL GALLERY

FUTURE PURCHASES OF WORKS OF ART

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to ask a question of the Minister of Citizenship and Immigration, which he may now take as notice. Is the minister in a position to give the house information with respect to whether or not the national gallery intends to make larger purchases than usual of works of art during the coming year?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I think I would prefer to take the hon. member's question as notice.

Mr. Speaker: This is one question directly on the point I mentioned a moment ago, when I pointed out that in committee of supply questions may be asked with respect to what

a department intends to do. Certainly there is no urgency in the hon. member's question. When the Department of Citizenship and Immigration is called in supply he will probably use whatever information he may now get to ask supplementary questions at that time. I think we should exercise a certain amount of patience and wait until departments are before the committee of supply to ask these questions.

ATOMIC ENERGY

REPORTED STATEMENT RESPECTING FUTURE PURCHASES OF URANIUM

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Acting Prime Minister whether Mr. W. J. Bennett, president of Atomic Energy of Canada Limited, was stating government policy in his speech in Toronto a week ago concerning future purchases of uranium?

Right Hon. C. D. Howe (Acting Prime Minister): There again, I am not exactly sure what Mr. W. J. Bennett said. I shall be glad to look it up.

Mr. Fleming: It has been in all the newspapers.

Mr. Howe (Port Arthur): I know; but I do not read the papers too carefully.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, February 3, consideration of the motion of Mr. Yves Leduc (Verdun) for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Rowe.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I must say that I regretted a little bit having to adjourn the debate last night for I recognized that it was the desire of some in the house to take the various motions, to dispose of them and to adopt the motion for an address to His Excellency in reply to his speech at the opening of the session. However, the remarks made by the Acting Leader of the Opposition (Mr. Rowe) with respect to our amendment and also with respect to our party, I must say, provoked me a little bit and I do not believe they should be allowed to stand without being answered.

Our amendment was designed not for any political purpose. It was designed because we felt—

Mr. Speaker: Order. I am afraid that the hon. member may not now refer to the amendment that was disposed of yesterday. That amendment has been disposed of. He must now cover some other ground.

Mr. Hansell: I recognize the fact, Mr. Speaker, that I cannot debate that amendment. I was only referring to it in the light of the present amendment that we are now debating. I will not refer to it in any way. I will say, however, that the present amendment that we are debating could not possibly be put into effect without adjusting our monetary policy in this country. What the hon. member said is another thing.

The hon. member is extremely capable in the matter of throwing around a great deal of loose language and a great many loose sentences. While I have not been in this house as long as he has, it is true, nevertheless I have nearly 20 years behind me; and I have watched my hon. friend perform in this house. I decided a long time ago that he is too mouthy.

Some hon. Members: Oh, oh.

Mr. Rowe: The hon. member should be an excellent judge.

Mr. Hansell: May I say this, Mr. Speaker. Last night was not the first time he has held this group up to ridicule.

Mr. Fulton: And it will not be the last time either.

Mr. Hansell: It is also not the first time he has attempted to ridicule me. There comes a time when our patience becomes a little bit exhausted.

I want to deal with his amendment, Mr. Speaker; but I want to deal with his party since he is so proud of it and since he has no confidence in ours. I should like to say this, Mr. Speaker. The hon. gentleman was in my constituency not so long ago and I think the people of that constituency welcomed him. I think they gave him a hearing. I did not go to his meeting because I did not think he would do me any harm. As a matter of fact, I think he did me some good. Whether it was a result of his visit or not, when the ballots throughout the constituency were counted, it was found that I had one of the largest majorities I ever had. In fact, all my opponents lost their deposits. I should like to think that he is responsible for that outcome.

However, after his meeting, I walked downtown. By the way, may I say that he did not hold that meeting in my town but in my constituency. When these Conservatives go out and hold meetings in Alberta, they have to bring in every Conservative for hundreds of miles around in order to get an audience; so, of course, some

from my town went over to his meeting, a distance of 40 to 50 miles, to listen to what he had to say. I met a couple downtown the next day and this lady said to me, "You know, the other day we went over to High River to listen to that cabinet minister". I lifted my eyebrows and I said, "Cabinet minister? I did not know there was any cabinet minister there". She said, "Why, yes, he was—er—" and she began to hum and haw and poked her husband. Then I recalled, of course, that it was the Right Hon. Mr. Rowe.

An hon. Member: Right Honourable? You are wrong.

Mr. Hansell: I was wrong. I am told it is the wrong honourable Mr. Rowe.

Mr. Knowles: Not left, anyway.

Mr. Hansell: In any event I said to her, "What did this gentleman tell you?" "Oh", she said, "he told us a lot of things". I said, "I do not want to know how much he told you; I should like to know what he told you". She said, "He told us"—then she turned to her husband and she said, "What did he tell us?" Her husband said, "Oh, shucks, don't ask me". Anyway, I told them this; I will tell my hon. friend what I told them. I said, "I know Mr. Rowe. He is a very fine gentleman and all that. But as far as his work in the House of Commons is concerned, I am going to tell you something. Most of us think he is the biggest windbag in the House of Commons".

An hon. Member: Next to you.

Mr. Lennard: You are quite a windbag yourself.

Mr. Hansell: I think we will all agree that my hon. friend has one virtue. He is rather quick on the draw.

Mr. Fulton: If he has one virtue, then he has one more than you.

Mr. Hansell: In order to make his speeches interesting at all, he must get a rise out of somebody. Then he is quick on the draw. But he uses a sort of blunderbuss. When he is quick on the draw and pulls the trigger, there is a great big boom. Then when the air is all cleared and you try to find what he has hit, there is nothing there. There may be a pinfeather but you find he has not even hit the moon.

Mr. Harkness: When you pull the trigger there is just a click.

Mr. Hansell: He does a lot of talking without saying anything. I am going to give our Conservative friends some advice in a little while, and I am going to give it to them because I know they will not take it.

An hon. Member: Why don't you sing a song?

Mr. Hansell: Take my hon. friend's speech the other day when he lambasted the government on their trade and tariff policies. It was free trade this and tariffs that and free trade that and tariffs this. Let me tell my hon. friends they can go through the country and talk about free trade and tariffs all they like and I do not believe the people of Canada are interested in it, not that much. There may be the odd businessman who is. So far as tariffs and free trade are concerned I know that over the years the position has been reached that when the Liberals are in power they are free traders and they boost the tariff and when the Conservatives are in power they are high tariff men and they take it down a little bit. The fluctuation of tariffs over the past number of years has not amounted to very much.

My hon. friend is a responsible gentleman in the Conservative party but I am going to say that he is behind the times. He is living in the past. He had better cast aside his knickerbockers and begin to wear something that is fitting to a new age. That goes for the entire party. I think they can learn a little bit from some of the rest of us even if we may not have had the experience that their acting leader has had. The Leader of the Opposition (Mr. Drew) came to my constituency a few years ago. He is a fine and honourable gentleman and I have nothing against him. But he tried to put on a resounding campaign. He came there and talked about North Star engines and how the government had missed the boat with respect to these engines. I followed the hon. gentleman a few nights later in the campaign. May I say here that I can generally get a fair audience when I go around the country. I do not have to hire cars and get all my friends from a hundred miles around to come and hear me.

I had my audience and I said to them: "I understand the leader of the Conservative party has been here talking about North Star engines. I would like to know how many of you people are interested in North Star engines. Let me see your hands raised." I looked around and there was nary a hand. I said: "I would like to know how many of you people are anxious to get enough money to be able to buy a ticket to ride on a North Star airplane". Of course all their hands went up. Let me tell my hon. friends that they had better get pretty close to the people when they go out and want to flirt for their support.

An hon. Member: We do not flirt with them. We leave that to you.

Mr. Hansell: I know my Conservative friends are not going to take my advice, and that is why I am giving it to them. Let me tell my hon. friends that unless they go across this country and present an alternative to what the people have today they will never get halfway to first base. The only thing they seem able to do—and I am not now speaking for the Liberal party—is to lambaste the government, kick them all over the lot and never say how they would solve the same problems—never, never, never. There is one thing about Social Crediters. When we go throughout the country, we take the odd crack at the government too.

Some hon. Members: Oh, no.

Mr. Hansell: Oh, yes—and when we do we offer a solution. My friends may say the solution is all cockeyed. I am not concerned with what my friends say. I am concerned with what the people say and what they think. I say that when any party goes out and complains about the present administration they had better be ready to present an alternative. I have followed the work of the hon. member for Broadview (Mr. Hees) who has, in the Conservative party, a position similar to that which I have in ours. I have followed his work with a good deal of interest. It pays me to do so, and I read the newspapers. This boy can go throughout the country and I tell you, Mr. Speaker, you can read every one of his speeches and they are all destructive so far as present government policy is concerned, but I have yet to find one instance where he has ever presented some idea as to how his party is going to deal with the same problems. Now, what did the Acting Leader of the Opposition say the other night?

Mr. Low: Nothing.

Mr. Hansell: I know I cannot discuss our amendment, Mr. Speaker. I know you will not let me.

Mr. Byrne: Move another one.

Mr. Hansell: In referring to our amendment, the hon. member used the words, "anaemic mockery". I do not know what to think of those words. I am not going to use such words with respect to the amendment of his party. I believe there are some things in the amendment that are good, and we are not going to play politics with it. We are going to be big enough to cast politics aside. I will tell you what we are going to do. We are going to vote for his amendment with the knowledge that what it envisages could not be accomplished without putting into operation the various monetary proposals that we have placed before the house in years gone by.

An hon. Member: Twenty dollars a month for everybody.

Mr. Hansell: Let us examine what the amendment says. It reads:

> We regret that Your Excellency's advisers have failed to take or to recommend the necessary measures: (a) to retain and expand Canada's markets abroad for our production, particularly of wheat and other products;

We can agree with that. But let me ask my hon. friend how he is going to expand markets for our surplus grain and other surplus products? Never does he say. Throughout the last election campaign the Conservatives talked about the failure to find markets. I want to say right now that if in this complex world we were to adopt the monetary policies of the present government we would find it just as hard to get foreign markets as they are finding it. But my hon. friends go out and say, yes, we have got to have foreign markets. How are they going to get foreign markets? Let them tell us what program they would pursue in order to get foreign markets. It is all right to do a little clowning and call the Minister of Trade and Commerce (Mr. Howe) a travelling salesman.

Mr. McIvor: He is a good one.

Mr. Hansell: But if you are going out to get foreign markets you may have to travel a little bit and you may have to sell Canada to some other nation. I do not mean sell it down the river, but you may have to create confidence in Canada. But let my hon. friends tell us what programs they have to recapture any markets that we may have lost.

Mr. Johnston (Bow River): They are all silent over there now.

Mr. Fulton: We have told you often but you could not understand it anyway.

Mr. Hansell: I have not heard it.

Mr. Fulton: Their heads are up in the Social Credit clouds. They just could not understand it.

Mr. Hansell: What is the next part of the amendment? It reads:

> (b) to solve the urgent problem of unemployment;

Let me ask my hon. friends how they would solve the unemployment problem?

Mr. Fulton: We have told you that, too, but you have not bothered to read it.

Mr. Hansell: My hon. friend says they have told us. They must have told us in such startling language that it did not make any impression.

Mr. Fulton: Your head was just up in the Social Credit clouds, and you could not understand it.

Mr. Hansell: What is next?

(c) to relieve Canadian taxpayers from the burden of excessive taxation—

The hon. member for Kamloops had better wait a little while. I have something good to say about him.

Mr. Fulton: I hope I can change your mind about that.

Mr. Hansell: I do not want him to disarm me. The paragraph continues:

—and thereby enable Canadian producers to lower their cost of production and to meet increasing competition;

We agree with that. Let me ask my friends again, how are they going to meet the necessary expenditures in this country and reduce taxation? The hon. member for Red Deer (Mr. Shaw) reminds me that in a previous election campaign the Conservatives said they would make a reduction in taxation of $500 million. I remember the Prime Minister (Mr. St. Laurent) standing here and saying, "Now, I should like to know how we can do it, because we would be glad to do it if you can tell us how." He said that we could slice this off, and that would save so many millions. We could slice this off—he did not think it would be good, but we could—and it would save so many millions. However, he did not get very far. The Leader of the Opposition (Mr. Drew) was left out on a limb. He could not answer how taxation could be slashed to that extent and yet meet the expenditures required to run this country.

The next paragraph reads:

(d) to eliminate waste and extravagance in government and improve its efficiency;

I think there is some waste. We would agree with that. We can vote for that. But let me ask again, Mr. Speaker, how would that be done? When the Leader of the Opposition insisted a few years ago on going into the expenditures in the public accounts committee, he chewed over his tongue and kept chewing it, and no matter how he probed into these public accounts he could not come up with very much of a suggestion as to where to cut expenditures.

Some hon. Members: Hear, hear.

Mr. Hansell: Believe me, if he could have, he would have blasted it from one end of this country to the other. I am not saying that there are no wasteful expenditures. I am not an accountant. I am not too much concerned about that. I leave that for somebody else.

The next paragraph reads:

(e) to facilitate and encourage the processing of our natural resources in Canada, and thereby increase opportunities and employment for Canadians;

Well, it sounds good. We are for it. But once again, let my hon. friends devise a program and state right on the dotted line exactly how they would accomplish this. That is the thing we want to know.

The last clause reads:

(f) in co-operation with the provinces to develop an effective contributory plan which will assure that every Canadian will have adequate hospital and medical services.

I am not going to deal with that. We believe there should be some plan whereby everyone could get medical services. We believe we have a good one in Alberta. However, that does not matter for the moment. We could vote for that amendment, but when we do so we do so with firm knowledge that you could not put those things into operation without an adjustment of monetary policy.

What else did my hon. friend say? He said he had no confidence in this party. In the first place, I am glad he does not have any confidence in this party. Then, he said that he did not believe we would ever have a chance of putting our motion into effect. I am just going to deal with that for a little while. In dealing with this, Mr. Speaker, may I say that I am not saying these things about every individual in that party. This is what I was going to say about the hon. member for Kamloops (Mr. Fulton), who interrupted. I believe there are some very fine men in the Conservative party—and women, excuse me. I have the greatest admiration for the hon. member for Vancouver-Quadra (Mr. Green) and for the hon. member for Eglinton (Mr. Fleming).

Some hon. Members: Hear, hear.

Mr. Hansell: I had the hon. member for Kamloops mentioned in my notes, but perhaps I had better scratch that off.

Mr. Fulton: Hear, hear; please do.

Mr. Hansell: I do not know that I have too much confidence, but I have a high regard for some of their men, particularly some of these young men who have a bright political future and an opportunity such as perhaps very few men have. Might I say, however, that as a party they are more dead than the ancient mummies of Egypt.

Mr. Nowlan: At least we survived and that is more than you did.

Mr. Hansell: If these young, aspiring members are sincere, they will not tag along with these stand-patters, such as the hon. member for Dufferin-Simcoe (Mr. Rowe).

Now, what is happening to their party? I will give them advice, and I am giving my Liberal friends some advice too. I know that it takes effective leadership to lead a party. I recognize that well enough. I have seen leaders come and go. I was here when the late R. B. Bennett was here, and I had a very high regard for him. It might be of interest for you to know that I applied for a position as office boy in Mr. Bennett's law firm many years ago. I am ashamed that I did not get the job.

Mr. Harkness: Mr. Bennett was too smart for that.

Mr. Hansell: The hon. member for Calgary North (Mr. Harkness) should be quiet. I want to have something nice to say about him. I do not want him to cross me up. I have seen these leaders come and go. I was here in Mr. Bennett's time and I had a high regard for him, partly because he was from my own city. He was a very clever man when he was here leading the opposition. Mr. Bennett resigned, and Dr. Manion came on the scene. I was here when he was here. He was trying to lead a party that was struggling to get recognition and come back into power. Well, Dr. Manion was defeated, as we know, in the next election and then the Hon. Mr. Hanson took over as house leader. He did his best, but what did he have to work with?

Then, Mr. Hanson was replaced by our very good friend the late Mr. Graydon. He did his best. He was house leader for a while. While these men were house leaders, do you know what the party was doing? They were scouting all over the universe to find a leader. At last, they went to Winnipeg and thought they had found one. They called upon Mr. Bracken. Now, Mr. Bracken was a very fine gentleman. He did his best. He was a successful businessman—I say businessman because he was a successful administrator. Let me say this. It is all very well to talk about leadership, but when you place a man in the position of leadership, for goodness' sake give him something to lead. That is exactly what these men have not had.

Then, of course, they had a talk with Mr. Drew and they asked him to take the leadership. He took the leadership but he did not have anything to lead. He could present no alternative. Now, what are they talking about? They are talking about lack of confidence in Mr. Drew. Let me say this. Mr. Drew is just as good a leader as any of them, but he has nothing to lead. I say this in all sincerity. When a man is put in as leader of the official opposition in that way he has two strikes against him to start with.

Let me say this to my Liberal friends. There are some provinces in this country where they will never come back into power again. They look around for a leader. We will take this man whose name might be Mr. Laing. Mr. Laing sat opposite us in the house. He is a very fine gentleman; I have nothing against him; but when you put him in a position where he has two strikes against him and he does not make good you complain. Here is another gentleman, Mr. Tucker. He is a fine gentleman; I have nothing against him. They tried to revive the old party in Saskatchewan and they called upon him. He is as good as anyone else for a leader with two strikes against him. He had nothing to lead, and so—

Mr. Speaker: May I interrupt the hon. member. What strikes me at this moment—this may be the third strike—is that we are now discussing the history of political parties not only in this house but also in the various provinces. Certain gentlemen are involved, of course. Those who are not present might find some members who will come to their support in order to comment upon the remarks of the hon. gentleman. In the speech from the throne debate, especially after the national affairs of this country have been debated for so many days, we ought to find yet enough material concerning national affairs, the ones that come under our jurisdiction as a federal parliament, to debate. We should not at this moment start another debate of a few days perhaps with respect to the leadership contests that have taken place and an analysis of the various parties with respect to the success that they might have had at an election time or the number of strikes that they have against them or in their favour.

The hon. member of course is taking advantage of the fact that he is entitled to make a speech on everything in the debate on the speech from the throne; but I would point out that it must relate to the affairs which are under our jurisdiction. Of course he may say this parliament cannot exist unless we have the party system and that we should discuss party politics and so on. I would not find too much fault with that except I am worried about the consequences. I would ask him to put himself in my place if, after his speech is concluded, I have to

listen to the hon. member for Rosthern (Mr. Tucker) giving his own account of his own interpretation of leadership and party success in Saskatchewan.

Someone from British Columbia may come to the support of Mr. Laing, who is the leader in British Columbia, and we may hear from the Conservative party with respect to the administration of their own internal affairs. I think we must make a distinction between the internal affairs of parties that are represented in this house or in the provinces and the national affairs which come under our jurisdiction and with which we as a parliament are called upon to deal. I would like the hon. gentleman to take into consideration what I have said.

Mr. Hansell: I will do that.

Mr. Harkness: Bat out a few more of those foul balls.

Mr. Hansell: I have no particular desire to go off at a tangent, but I would point out that the only reason the hon. member gave last night for his attitude was that we were presenting an amendment that we would never have the opportunity to put into practice. I will admit that I may have traversed a good deal over political ground, but I would point out that the Conservatives of this country are bidding for power to run the affairs of this nation, and that is a very important thing. They are going out and telling the people of this country that we are a lot of crackpots and do not know what we are talking about. They are also telling the people of this country what a terrible failure the Liberals are, without presenting an alternative.

I have not much time left. The hon. gentleman said that we would never get into power; we would never be able to put into practice the things we desire, the monetary reforms we desire. Let me tell my hon. friend that it is the Conservative party of this country that is on the skids. No other party is slipping so fast. I will say this in concluding my remarks, Mr. Speaker, if you wish. I do not know when the Liberal party will be displaced. It may not be in my lifetime, it might be in the next election; but I am going to tell my Conservative friends right now that when the Liberal party is displaced it will be the Social Crediters who will displace them.

Some hon. Members: Oh, oh.

Mr. Hansell: My hon. friends may laugh.

Mr. Rowe: That does not make it so.

Mr. Hansell: My hon. friends may laugh but I am telling them that because it is a fact which nobody can deny. The Social Credit party is the only party in this country that is in the ascendancy.

Some hon. Members: Oh, oh.

Mr. Rowe: How many candidates did you run in the by-elections?

Mr. Hansell: My hon. friends can say "oh, oh". It is just like whistling when you are going through the graveyard, their own political graveyard; that is what it is. We Social Crediters go out and we present an alternative.

I do not like to get back on this matter of leadership, but since some of them think they might be reviving themselves by changing leadership, let me say that there is no greater place where a man can be destroyed than to put him in as leader of the Conservative party. Let me tell the hon. member for Prince Albert (Mr. Diefenbaker), whose name has been prominently mentioned, as I tell it to all those young Conservatives over there, that if he ever toys with the leadership of that party, if he ever accepts the leadership of that party, he will sign his own political death warrant.

Some hon. Members: Oh, oh.

Mr. Hansell: You can laugh at it if you like, but take my words as they stand on *Hansard,* and in a few years those words will come back to you like lightning striking you to the ground, because I am prophesying these things are true.

We are going to vote for this amendment, Mr. Speaker, because we do not have complete confidence in this government. We can present an alternative to this country that will solve its major problems, an alternative which we have expounded in this house for years. The alternative which we have expounded in this house for years—

An hon. Member: Completely discredited.

Mr. Hansell: Did my hon. friend say "completely discredited"? By whom?

An hon. Member: By the people.

Mr. Fulton: You did not even dare run candidates in the by-elections.

Mr. Hansell: My hon. friend says that we did not dare run a candidate in the election.

Mr. Fulton: In the by-election.

Mr. Hansell: You do not suppose that we are in the position where we are compelled to take dares?

Mr. Fulton: I thought you said you were on the verge of power.

Mr. Rowe: They have gained only four seats in four years.

Mr. Hansell: When a man is training for a bout—

Mr. Pearkes: A rout.

An hon. Member: A bout?

Mr. Hansell: —he has his guards at the gate. Why? So that the opposition do not know the kind of punches he is going to land, so that the opposition do not know what form he is in. We are not so foolish as to contest every by-election and let people know what our punches and holds are.

Mr. Fulton: You are afraid they might find out.

Mr. Hansell: We are playing for higher stakes than by-elections. I was sorry I was interrupted by some hon. member back here —I do not know who it was—who interjected the remark "completely discredited". This movement has never been discredited. We are in two provinces now and all we need is one more. We will get it and then our Social Credit movement will roll through this country with such speed that these gentlemen will begin to wake up when it is all over. But it will be too late for them.

We will go through this country and present the only alternative that is possible in this country, the alternative that will work, the alternative that will capture the imagination and hearts of the people when once they see that it is financially possible to distribute the abundance of our production.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, I find myself caught in a rather odd geographical position just now between conflicting forces. The last thing I want to do is to get into any internecine warfare between the various branches of the Conservative party. That is entirely their business and none of mine. But I do admire the hon. member for Macleod (Mr. Hansell) when he gets up and says that he is going to cast politics aside and then for 40 minutes simply refuses to take his own advice. Possibly he was just as wise, as I do not know how anyone in this house can cast politics aside.

But I shall take your advice, Mr. Speaker, and deal with national matters in a rather different sense. I am not concerned with warfare on this side. As far as I am concerned the enemy is in the other part of the house where I can see the whites of their eyes. I feel sufficiently inimical today to ask certain questions, especially of the Minister of Finance (Mr. Harris), because the government owes these answers to parliament and to the country. They are matters of common concern about which all of us are perturbed. We do not know what the facts are and we have no inkling yet of what government policy will be. We should like to know what the answers are.

In the first place it is time we knew exactly the status of Trans-Canada Pipe Lines Limited and the position of the government with regard to that company. Is it the government's intention to subsidize private enterprise, or is it the government's intention to insist that private enterprise stand on its own feet? Is the treasury of the people of Canada to be looted once again in order to help private enterprise, or is it not? These are questions which I should like to have answered.

It is of course a piece of outstanding impertinence for any believer in private enterprise to suggest means whereby the treasury of the people of Canada is used to support private enterprise. The government will have to make up its mind whether it is going to help this pipe-line company or whether it is going to take over this pipe line as we in the C.C.F. have advocated. If a subsidy is granted, if a guarantee is granted, if the government is going to take the risk then the government should take the profits.

We have long said that the national interest demands that this pipe line be owned by the people of this country. We say so for two reasons. The first and obvious one is that we want to protect the consumer. I am quite certain that were this pipe line nationally owned gas would be provided to the consumer at from 30 per cent to 40 per cent below what it will be by a commercial corporation.

Then we also have to protect the future. I fear that if this pipe line comes under private enterprise it will be pushed through by men without the vision or imagination to realize what Canada will be like ten or fifteen years hence. The pipe line will be completely inadequate for the needs of this country. We shall have a 30-inch pipe line in the next year or two perhaps, and in ten years we may require another 30-inch pipe line. That is surely a squandering of capital if ever I saw it. If the job is going to be done, let it be done properly now. If this company does not have the finances to do the job properly, let the government take it on as a matter of service to the people of Canada. As I said, to do otherwise would be to waste money.

Yet here we have private enterprise once again coming to the treasury of the people of Canada asking for a subsidy, asking for a handout. None of us knows what the cost

will be. It might be nothing; it might be $15 million; it might be many millions more. None of us at the present time know. All we do know is that the treasury of Canada is being asked to guarantee the profits of Texas tycoons who will do their very best during the coming years to take as much as they can out of the pockets of the people of Canada.

Maybe some will say that if this guarantee does not go through it will be against the national interest, that the pipe line ought to be started this year. If it is so much in the national interest, let the government do the job and let us not subsidize foreigners. We have done that in the past to our cost.

As for the capitalization of the company, we still do not know what it is going to be. I have heard it said that there will be $50 million share capital out of an investment of $300 million, the rest of course being in the form of bonds. Forecasts have been made as to the possible financial position of Trans-Canada Pipe Lines Limited within a few years. I saw one in the *Financial Post* that within five years this company would be showing a profit, after depreciation, after the payment of bond interest and before taxes, of $20 million a year. A return of $20 million a year on an investment capital outlay of $50 million or $60 million is a pretty handsome return. That is the sort of return which this group whom I call Texas tycoons are going after.

The best thing that could happen would be for the government to take over the whole proposition and do the job. This in other fields has been done already by one minister of the government whose political philosophy was born yesterday and will die tomorrow. I refer to the right hon. Minister of Trade and Commerce (Mr. Howe), who nevertheless has done a first-class job with Trans-Canada Air Lines and Polymer Corporation. I only hope that he has the wisdom to see the necessity of the people of Canada owning this pipe line. We in the C.C.F. will never for one moment consent to its being subsidized by the treasury of Canada.

There is another matter in our minds which is perhaps of greater general interest. I refer to the whole question of foreign investment in Canada. Most of the foreign investment here is American, although quite a substantial part is European. And under certain conditions I welcome both. I welcome more European investment because I want to see greater diversity of investment in this country, rather than have us almost in thraldom to one country.

But the significant thing is that when one looks at the financial structure of Canada one is struck by the small, the almost insignificant part which Canadian capital itself has played in the opening up of this country. When I think of the Canadian capitalist I think about what Robert Burns said about the mouse—the "tim'rous beastie". Unquestionably, when it comes to investment in their own country, Canadian capitalists are frightened, cowardly creatures depending always upon outsiders to do the job which they should be doing themselves. They are men without vision, men without confidence, men without any courage whatsoever. I think of what the future of Canada has for all of us, and then I realize that Canadian capitalism has abdicated in favour of the foreigners. And that is a dangerous situation.

Mr. Nickle: May I ask the hon. member a question? Do you advocate following the policy followed by the Douglas government in Saskatchewan, so far as gas and oil are concerned—in other words, an open invitation for private capital to come into that socialist province to do the job that socialism could not do?

Mr. Stewart (Winnipeg North): Rubbish! Absolute rubbish! It is being done there under conditions where the rights of the people are being safeguarded.

Mr. Diefenbaker: It is not.

Mr. Stewart (Winnipeg North): And the oil firms of Canada knew that, and the oil firms of the United States knew that. At first they would have nothing to do with it; but their lust for profit is so great, they have gone in on the government's terms. And my hon. friend knows that as well as I do.

Mr. Nickle: Are not the terms better in Saskatchewan under private enterprise than—

Mr. Stewart (Winnipeg North): I cannot hear you.

Mr. Nickle: Are not the terms of the Saskatchewan government, so far as gas and oil are concerned, a little more lenient toward private enterprise than are the terms covering the crown lands in the adjoining private-enterprise provinces?

Mr. Stewart (Winnipeg North): I doubt that very much. And what is your objection to private enterprise? The only thing is that you don't believe in it. Your idea of private enterprise is to get the government to subsidize you. Why don't you stand on your own feet? When you talk about private enterprise, go and do your job on the pipe

line, but don't come to parliament asking for help. I hope you are not going to do that.

Now, let us get back to where I was, before this interruption took place. I was talking about the Canadian capitalist being afraid to invest in his own country, and depending upon the Americans to do the job for him.

Mr. Harris: On a point of order, Mr. Speaker. This may be only speculation on my part, but I am almost certain the hon. member to whom he has been addressing his remarks is the one member in the house who would be objecting to what he is saying.

Mr. Stewart (Winnipeg North): I cannot help that. But my point is this, in this particular context, that we have been depending upon foreign capital coming into Canada to develop this country, and to open it up.

One can have only admiration for the drive and energy the Americans have shown in exploring and developing this country. But my regard for them, my admiration for that drive and energy ceases when it appears that American capital is going to own Canada. We are getting into the position where, very definitely, in the economic sense we are becoming an American satellite. Where you have economic strength, there you have political strength; where you have economic ownership, there you ultimately have political ownership. And I object to Canada's being regarded as either an economic or a political annex of the United States.

I condemn the pattern; I oppose the trend; and my fear at the moment is that the government, by its inaction in this matter, is selling Canada into economic bondage. And all that we can do to oppose it will be done.

There are three kinds of investment in the country just now. There is that which is known as the sticks and stones investment—investment in buildings, investment in plants, investment in machinery, investment in these means of production by which employment is given and Canadian wealth is increased. That is good investment. That is the sort of investment that we—and quite rightly—ought to encourage, although I would like to see Canadians doing much more of it. I would like to see Canadians taking the risks which some of the Americans have been taking. And obviously, if Canadians themselves are not going to do it, then others are going to do it.

But this also has been very obvious during the last year. There has been a very definite switch in investments, which is now taking two other forms; and in a highly vulnerable economy such as ours they are dangerous.

In this connection I shall quote a paragraph from the monthly review issued by the Bank of Nova Scotia, where it says:

> Moreover, the apparent dependence of the current premium on capital movements not directly associated with Canadian economic growth is scarcely reassuring. So long as the bulk of the capital inflow took the form of direct investment by United States firms and direct borrowing in New York by Canadian provinces and municipalities, the inflow was actually financing the development of resources and industry and was predominantly of a long-term nature. Over the past year, however, there has been some slackening in the pace of Canadian development, and at the same time a sudden increase in the inflow of funds for investment in existing securities.

It is this sudden inflow of funds which ought to be causing more alarm than apparently it is at the moment on the treasury benches. There is this great investment in Canadian companies, which will last just as long as the profit situation lasts. For money, in itself, knows no patriotism; money follows no flag; money only follows profits. And such investment can be very dangerous to the economy of one's country.

When we look at the Canadian scene we can see what is happening. There is the type of investment coming into this country which is buying stocks and shares for long-term investment, and buying them in such magnitude that Canadian industry is being taken over by the United States. One can think of oil, of foodstuffs, of automobiles, of the electrical industry; and there are others. And what must be the disturbing feature to the Canadian investor is this, that there are stocks and shares of Canadian corporations being bought at prices greater than a projection of company earnings justifies. And that, in itself, can be dangerous for Canadians, although it implies a faith in Canada which I think is well justified.

However, as I said earlier, where you have this economic control in a country, eventually you will get political domination. And again Canada may be in the position of being grateful to Quebec for once more saving this nation, as such.

There is a third type of investment, and this is really a dangerous type which we see before us today. I refer to investment by non-resident-owned investment corporations. They are posing a very serious threat to the Canadian economy.

First of all I think we ought to consider what is happening in the American market just now. It could be said fairly I think that in the American stock market we see people who are the victims of Couéism—who believe that they are going to be better off and better off every day in every way. They apparently believe in a chicken in every pot and a car in

every garage and a portfolio of investments in every safe. And they are not going to achieve their ambitions.

Perhaps this optimism is prompted by a statement made by the President of the United States last October, before the election, when he said that national production in the United States might reach $500 billion in ten years' time. Others have said the same thing during the last few months, although there are very responsible economists in the United States who take grave issue with this, and who warn the people in that country of the dangers which are almost obvious in their own economic situation.

One of the most alarming is the gap between stock prices and production indices. Unless that gap is met, is narrowed, there will be trouble. Perhaps one could call the present situation by a name other than Couéism; perhaps we should call it voodoo prosperity, prosperity by incantation. But the power of that voodooism extends now to Canada and is threatening our own investment.

The exchange situation between Canada and the United States is about as unhealthy as it could possibly be. The exchange rate in no way whatsoever reflects the balance of trade between the two nations. The exchange rate is something spurious and synthetic and ultimately dangerous to the Canadian economy.

Then within the last few months we have had this greatest danger of all, namely financial investment or finance investment—let me put it that way—which has been so greatly responsible for the rise of the Canadian dollar. For instance, in June of last year the United States dollar was at a discount of 1-7/8 points. In July it was at a discount of 2-9/16 points. Yet in those two months the Canadian government, through the exchange fund, bought $71 million of United States funds in an attempt to stop our dollar rising and they were completely and totally unsuccessful. The situation has become worse despite the fact that the exchange equalization fund has been buying United States dollars. It became so much worse in August that, despite the attempt of the Bank of Canada, the discount on the U.S. dollar went to 3 per cent and in December it rose to 3-7/32. That is an extremely serious thing for Canada in more ways than one.

I am not going to go into the implications to Canada from the point of view of exports or from the point of view of imports. At the moment I am dealing with the matter solely in the restricted sphere of finance. We have these non-resident investment corporations which, in the last few months, I am convinced, have poured $150 million into this country and probably more; I think $150 million would be a conservative estimate. This inflow of money does not assist in any way the development of this country. In fact it will become a definite hindrance. These shares are sold only to United States investors. It is true that in Canada there is a 15 per cent withholding tax on the dividends of these corporations, on the money received; but then there are no dividends declared by those corporations because the Americans are in them for capital gain. They do not want to see any dividends declared. All income which comes in is used to buy still more Canadian securities on the market.

One of the reasons for this desire for capital gain is, of course, that Americans feel that they will be better off in the long run by paying a lesser capital gains tax than a larger income tax. They have funds which are known as open-end funds. There is no limit to them. As long as there is demand in the United States, these United States funds will be used to buy Canadian securities in unlimited quantities. Of course, if they can buy them, they can also sell them. That is one of the things which should perhaps give us pause because if, perchance, it should so happen that there were a break in confidence, one can imagine the sort of break which would occur on the stock markets of this country and one can well imagine how many Canadian investors would be wiped out.

The main problem is this: What is being done about it? The government may say, "We are using the exchange equalization fund". I do not think they are doing so to any substantial extent but I am not prepared to blame them for that. The exchange equalization fund has in the past shown itself to be inadequate and it is an extremely expensive way of working. I remember that in 1950 there was a determined move on the part of United States capital to come to this country. The exchange equalization fund spent $600 million in buying United States currency in order to try to stop that movement but they could not hope to dam the flood. That was a heavy outlay of money. I do not think for a moment that the exchange fund can have any great effect on the situation as it exists, although it should still be used.

One other reason for United States money coming into this country is the attraction of a long-term interest rate somewhat higher than that which exists in the United States. The obvious way to cure that situation is by means of open market operations by the Bank of Canada whereby our interest rate is brought down to such a level that it offers no attraction to the Americans and, as far

as Canadians are concerned, is an inducement to Canadians, if they are going to go into long-term borrowing, to do their borrowing on the Canadian market rather than on the United States market.

The exchange equalization fund must be used. Bank of Canada policy must be such that the interest rate is kept below that of the United States as far as possible. But neither of these two suggestions gets us away from the problem of what to do about these non-resident investment corporations which are creating so much havoc. I think there is only one answer. I should like to hear what the Minister of Finance (Mr. Harris) has to say because he must provide an answer. He must give an answer to Canada as to what government policy is going to be in this matter. I think the only answer is to impose on these corporations punitive, frankly discriminatory taxes which will discourage them from coming into Canada and operating in the way in which they operate. They are operating quite properly from their point of view or from anybody's point of view, but the net effect of their operations is to create an extremely serious economic problem within Canada. That problem must be faced and an answer must be found for it. I do not think at the moment there is any answer other than a punitive tax on these corporations; a tax on their income even although it is not distributed; a tax heavy enough to dissuade any others from coming into this market.

There are plans afoot whereby tens of millions of United States dollars are going to come into this country in the near future in the form of non-resident investment corporations and they are merely going to make our exchange situation so much worse. I maintain that the most serious problem today in finance which the minister has to solve is this one with respect to these corporations. He must find an answer. He must give an answer to this house so that we shall know what we are doing. If no answer is given and if this unhealthy situation continues between the Canadian and the American dollars, then, as I said earlier, it will be proof that the government is prepared to sell Canada into economic bondage.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I had not intended to intervene the second time in this particular debate. In explanation, may I say that sometimes events take place which make one change his mind. This is one occasion when I feel that I should again refer to one principal problem that is of vital concern to my own riding as well as to other ridings in the province of British Columbia.

[Mr. Stewart (Winnipeg North).]

On January 19, as recorded in *Hansard*, I referred to the situation that exists in British Columbia with respect to the price of feed grain. I drew to the attention of the house the fact that a certain price was paid on the prairies for the best grade of feed and then I referred to the extremely high price that had to be paid by the farmers who purchased it in the province of British Columbia. I suggested that possibly some investigation might be carried on in order to determine the fairness or otherwise of the price spread in this regard. I had not any idea then that even at that time, apparently, measures were under consideration to impose further hardship upon the farmers in British Columbia.

At page 667 of *Hansard* we find the regulations respecting freight assistance on western grains and millfeeds. Here it is brought to our attention that the assistance given in the transportation of feed grains to British Columbia was to be cut considerably. Since that time questions have been asked in this house. On February 1, I believe it was, the hon. member for New Westminster (Mr. Hahn) asked a question of the Minister of Agriculture (Mr. Gardiner) with respect to the possibility of rescinding this particular measure and giving some assistance to the farmers of British Columbia. The reply given by the Minister of Agriculture was to the effect that full consideration had been given to the situation that would exist following the introduction of this measure; and he further stated that he could not see where any alteration could be made at the present time. The matter was referred to again on other occasions which I will not deal with now. I might say that I received several telegrams, and other members have also received telegrams, from interested groups in the province of British Columbia, protesting very strongly the action that has been taken in reducing the freight assistance on feed grains. In the Vancouver *Province* of Tuesday, February 1, an article appeared headed, "Grain Rate Subsidy Cut to be Appealed". I should like to read certain excerpts from the article. It reads in part as follows:

B.C. groups say more increases burden on producers. A meeting behind closed doors in Vancouver Monday planned an all-out appeal to the federal government against a cut in grain rate subsidies which takes effect today. Members of the feed manufacturers association, B.C. federation of agriculture and the poultry industries council met with W. M. Mott—

An hon. Member: Who is he?

Mr. Patterson: I continue:

—and George Cruickshank—

Mr. Blackmore: Who is he?

Mr. McIvor: Hear, hear.

Mr. Patterson: I continue:

—who made their plea to the government through Hon. James Sinclair, Minister of Fisheries. Mr. Sinclair promised to telephone agriculture minister Gardiner and ask for the cut to be made on a graduated basis to give farmers a chance to prepare for the added cost. Local experts estimate that British Columbia farmers are going to pay more than $1 million of the $3,600,000 saving in feed grain freight assistance payments planned by the federal government.

I have further quotations but I am not going to read them at the moment. However, we do see that through particular organizations and particular individuals approaches have been made to the government and the Department of Agriculture with respect to this matter. In this debate we have been discussing the reduction in farm income. We have been talking about the difficulties that the farmers of Canada have been facing throughout past days and years. Yet it seems that now, after struggling against these great odds, the farmers of British Columbia are being subjected to further hardship by the drastic reduction in feed grain freight assistance. It seems to me that this is adding insult to injury. I do not propose to speak further on this matter. It has been called to the attention of the minister. I feel that his answers have not been satisfactory by any means and we are requesting that this matter be reconsidered; that the spread in prices be investigated and that the assistance be returned to its previous level until there is an improvement in the general conditions of the agricultural industry.

Mr. Speaker: Is the house ready for the question? The question is on the following motion—

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, before you put the question I should like to deal with one matter that arose while I was speaking last night. The Minister of Mines and Technical Surveys (Mr. Prudham) asked me two questions which I believe should be answered. Consequently I have a certain amount of unfinished business. The hon. member is entitled to the answers to questions that the people of Canada generally are asking. I therefore think it is quite worth while to give them a little attention before we take the vote. The questions are recorded at page 825 of *Hansard* of yesterday. The minister asked:

Why do you not tell them about Alberta defaulting?

Later he asked this question.

Why do you not tell them that Alberta was the only province that defaulted on its bonds?

Mr. Speaker: Order. May I interrupt the hon. member? Throughout the debate on the address we at times allow remarks on the administration of provincial governments which, so far as I am concerned when I am in the chair, I feel sorry that I have allowed because as a result we have a debate on provincial affairs instead of a debate on national affairs. The hon. member made a speech yesterday in the course of which he was asked certain questions. Usually questions are dealt with while a speech is being made or immediately after it is finished. If the hon. member wishes to make further answer to the hon. member's questions of yesterday having to do with matters that deal only with provincial affairs, about which we can do nothing at all, I would imagine that since we have disposed of the amendment, in the debate on which the particular questions were asked, it might be quite just for the Chair to say at this moment that since we are debating the amendment of the hon. member for Dufferin-Simcoe we should restrict ourselves to a debate on national affairs and not go into provincial matters.

I am grateful to the hon. member for Macleod for not having extended the scope of his remarks and perhaps being more out of order than he was on matters which do not concern national affairs. I would be reluctant at this moment to allow a further relaxation of the rules. I am sure the hon. member for Lethbridge will find another opportunity to deal with the particular matter that he would like to deal with at the moment, but I think he will agree that if he deals with whatever means were used by the Alberta provincial government to cope with its financial difficulties it would not be a matter which comes within the purview of federal administration. If he would like to co-operate in that respect, I will hear him on matters concerning national affairs.

Mr. Blackmore: I am in your hands, Mr. Speaker. I do not desire to do anything that would be out of order at this time, but the answer to these two questions certainly does affect the whole management of the Canadian economy during these times. The way Alberta had to manage her affairs in order to get out of her difficulties is just a pattern of the kind of thing that could happen to any one of probably two-thirds of the provinces of Canada within four years from this day if we go into a depression. Consequently, I am inclined to think it would be quite in order to discuss the matter now.

There is another reason why I should like to discuss it, if you can see fit to permit it, and the house will support you in so doing,

namely, that it is well to answer such questions right after they are asked. I could not answer them last night because the questions were raised when Mr. Speaker was rising in his chair to tell me that my time had expired. Therefore it was quite impossible to answer them then. If it is your desire and you so rule, I will simply answer the hon. member's two questions in one sentence, and I will promise that when we come to the budget debate I will go into much greater detail and explain the whole matter then.

Mr. Speaker: I would be glad to allow one sentence.

Mr. Blackmore: Then I will simply say that the answer—

Mr. Harris: May I say one word, Mr. Speaker? I had come to the same conclusion as the hon. member for Lethbridge, that the answers he might make to the questions would concern fiscal matters almost entirely and that the remarks he would like to make would be more appropriate on the budget debate. I have been looking forward to his remarks in that particular debate. I should imagine he could combine it and we could perhaps be better informed on the subject at that time than we could now, when fiscal matters are not directly under discussion.

Mr. Blackmore: I am completely in agreement with what the minister has said. The reason I thought we should deal with the matter right now was, as I said, that the minister himself will be very deeply interested in what did occur under the ministers of finance in 1935, 1936, 1937 and 1938, because if we come into a depression he will be dealing with similar matters. The provinces in this country simply cannot sustain the financial responsibilities which the British North America Act imposes upon them unless they have financial resources other than those now available to them. It is really a matter of deep concern to all of Canada.

Those things being understood, I will just answer the question of the Minister of Mines and Technical Surveys (Mr. Prudham) by saying that Alberta had no possible alternative to the course which she took. Alberta did not default on the bonds at all. She was declared in default by the bondholders because she asked them to refund her loan at a rate of interest which she could sustain. She had found it was impossible for her economy to sustain an interest rate of 5 per cent. She wanted that interest rate cut and it was when that request was made, as I said a minute ago, that the bondholders refused to even treat with her and they declared the bonds in default. It was no action of the province of Alberta.

The house divided on the amendment (Mr. Rowe) which was negatived on the following division:

YEAS

Messrs:

Argue
Barnett
Bell
Blackmore
Blair
Brooks
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Churchill
Coldwell
Diefenbaker
Dinsdale
Dufresne
Ellis
Fairclough, Mrs.
Fulton
Gagnon
Green
Hahn
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hansell
Harkness
Hees
Herridge
Hodgson
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Leboe
Lennard
Low
Macdonnell
MacInnis
MacLean
McBain
McLeod
Michener
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nickle
Noseworthy
Nowlan
Patterson
Pearkes
Quelch
Regier
Robinson (Bruce)
Rowe
Shaw
Stanton
Stewart (Winnipeg North)
Thatcher
Trainor
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Wylie
Yuill
Zaplitny—69.

NAYS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Bennett (Grey North)
Bertrand
Blanchette
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Campney
Cardin
Caron
Carrick
Cloutier
Dechene
Decore
Demers
Deslieres
Dickey
Dumas
Dupuis
Enfield
Eyre
Fairey
Follwell
Fraser (St. John's East)
Gardiner
Garson
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gingras
Goode
Habel
Hardie
Harris
Harrison
Hellyer
Henderson
Henry
Hosking
Howe (Port Arthur)
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Gaspe)
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare

Lesage	Proudfoot
Lusby	Prudham
MacDougall	Purdy
MacEachen	Ratelle
MacKenzie	Richard (Ottawa East)
MacNaught	Richardson
McCann	Robinson (Simcoe East)
McCulloch (Pictou)	Rouleau
McIvor	Shipley, Mrs.
McMillan	Simmons
Mang	Stick
Matheson	Studer
Michaud	Thibault
Nixon	Tucker
Philpott	Valois
Pickersgill	Viau
Pinard	Villeneuve
Pommer	Weaver
Pouliot	Weir
Power (Quebec South)	Weselak
Power (St. John's West)	Winters—99.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, now that we have arrived at the point when the main motion is to be discussed, there are a number of matters which I wish to bring up. We have been debating this motion since January 10, following the speeches made by the mover and the seconder on January 7, with the exception of four days or so during which we discussed matters of international importance.

In the years I have been in this house, having regard to the problems that face our country, I have never seen a ministry so silent in respect of those things about which the people of Canada are seeking information. What is to be done for the unemployed? With the exception of a qualified promise in the speech from the throne and a temporary expedient in the form of legislation already passed by parliament, there is no suggestion of what is to be done. There is nothing in regard to trade and the loss of markets abroad. A total of 55 or 56 supporters of the government have spoken, but not one minister has given answers to the major problems facing Canada; not a word regarding our loss of trade. Day after day the Minister of Trade and Commerce (Mr. Howe) has sat and listened, but not a word from him. Nothing in regard to what took place at the conference in Washington; nothing in regard to the measures to be taken to secure trade in various parts of the world. Parliament has been treated in recent weeks by the cabinet with a cavalier disregard of the rights of the Canadian people, and almost with condescension.

The House of Commons is becoming nothing but a tape recorder for the cabinet, a constitutional nuisance to be tolerated by the cabinet. Some announcements are made outside the house while parliament is sitting, such as the announcement regarding the granting of a licence to Canadian Pacific Air Lines to operate a trans-polar route or the announcement yesterday by the Minister of Fisheries (Mr. Sinclair) regarding a matter that affects agriculture, not only in British Columbia but in Ontario and Quebec. I refer to the reduction in the subsidies on feed grains.

We ask questions, returns are passed, months go by. On several occasions recently hon. members of this house have tried to find out about Canadian National employees who stand in jeopardy of losing their positions, many in fact already having lost them. On January 26 I endeavoured to bring up this matter in the form of a question. I inquired about lay-offs of employees of the Canadian National Railways. These employees want to know what is the policy. They hear that on the western division some $3,500,000 is to be saved by the simple expedient of cutting off the heads of the lower employees, the labouring men, rather than giving consideration to reducing some of the extremely high salaries of officials at the top.

We are told nothing in regard to trade. There is no adequate answer by any minister of the crown regarding the position of agriculture in this country; no answer by the Minister of Trade and Commerce as to what is to be done about the situation revealed by the dominion bureau of statistics, which shows that trade is decreasing. We have tried to get information from the Minister of Trade and Commerce. I understand that he has a speech on the subject of trade in cold storage; let him bring it out. On January 10, as reported on pages 19 and 20 of *Hansard*, I asked the following question to which the Minister of Trade and Commerce replied:

> I should like to direct a question to the Minister of Trade and Commerce. Is he in a position to say anything regarding the visit of three ministers of the government to Washington recently, and whether or not the United States government has given any indication that it intends to discontinue its apparent policy of applying quotas and embargoes against Canadian agricultural products?
>
> Right Hon. C. D. Howe (Minister of Trade and Commerce): Before the debate on the address in reply to the speech from the throne is completed I hope to make a statement on Canadian trade policy which I think will contain the information my hon. friend is seeking. The visit to the United States concerned a number of matters. It would be difficult to answer the hon. member's question categorically, but I think the information will be forthcoming in the next two or three weeks.

On February 1 the hon. member for Eglinton (Mr. Fleming) directed some questions to the Minister of Trade and Commerce in connection with GATT, to which the minister replied as follows:

> Owing to the length of the debate on the address in reply to the speech from the throne, Mr. Speaker, it seemed to me that I could contribute more to the expedition of the business of the house if I refrained from speaking. I have heard no great interest in trade matters displayed in this

debate, and perhaps in the circumstances the statement could be deferred until an appropriate bill is before the house or until later in the session.

Such diffidence, such consideration for the sensibilities of parliament, has not in the past been one of the characteristics of the Minister of Trade and Commerce. According to a report in the Canadian press dated January 7, when the minister returned from Washington he said:

Trade Minister Howe, on return from his Washington trip last night, said it may take a "few days" to find out what results his talks with United States cabinet ministers had.

Some "compromises" are likely, he said in an interview, but at the moment he could not say what impact they will have on international negotiations to strengthen the seven-year trade pact.

He said he would know in a few days. When I asked a question on January 10 he gave the house to understand that before this debate concluded he would speak to the house on this matter which affects the Canadian people more than any other problem. We have not had a word. Are we coming to the end of GATT? Are we in such a position that the minister cannot make one of his periodical optimistic statements?

Surely parliament has a right to know what is taking place. I note that the Prime Minister (Mr. St. Laurent), who could not answer certain questions asked in parliament last week, found it necessary to wait until he left for the old country before parliament was told what it could not find out when he was here. Are we to have to wait until the Minister of Trade and Commerce is in Australia or New Zealand several weeks hence before we are to find out about this policy? We ask the minister to bring out that speech which is in cold storage and let the people know what he has done, what took place at Washington and what he expects will be the situation in the days that lie ahead.

What of our trade? The optimism which was displayed by the minister in January and February of 1954 has been dissipated in the light of our experience since then. I am not going into many statistics; I am simply going to point out that the preliminary figures for the full year 1954 are now available, and that our total exports in 1954 amounted to $3,942 million whereas in the previous year they amounted to $4,173 million. So far as imports are concerned they too have been reduced during the year by approximately $280 million.

The total trade for 1954 including exports and imports was $8,037 million, while in 1953 it was $8,556 million. What is going to be done? Has GATT collapsed? Recent reports in the *Financial Post* give some indication of what took place. And I am not going to restrict the request for a report to the Minister of Trade and Commerce. The Minister of Finance (Mr. Harris) could tell us whether the United States administration has a policy all its own, and whether it refused to consider objections raised or the alternatives offered on the part of Canadian representatives when they were in Washington. Why this silence? Over the years we used to get these reports regularly during the session, but for some reason or other in 1955 the optimistic reports of the past are unavailable.

The minister dare not speak and tell what actually took place in 1954. As a matter of fact one of the government's former officials, Gerald Godsoe, who during the period of the war occupied a high position in the government of this country, said while speaking before the Chautauqua Institution in July of last year:

One of our problems is the decided risk we run in having so many of our eggs, and such large ones, in the same basket—in our present dependency on your market. This makes it ever-important for us that . . . we concentrate diligently on greatly improving our trade with Britain.

Then he went on to say:

The United States for a long time to come will be dependent on Canada for certain minerals and other natural resources and products. From the point of view of the Canadian economy it is desirable to have a larger proportion of these taken in the future in manufactures rather than in the raw or simply processed form.

Thereby he gives support to the policy of this party so often enunciated, and repeated so recently by the Acting Leader of the Opposition (Mr. Rowe).

During the period between January and November what happened to our farm income? What happened to our farm markets? Some days ago the minister indicated that there was nothing to worry about. There has been some increase in wheat marketing since November, but the wheat record for 1954 is a sorry commentary on the policies of this government. Here is the record, according to the bulletin issued January 13 by the dominion bureau of statistics. Excerpts from that report indicate that domestic exports of all products to the United States in the 11-month period declined to $2,097,705,000 from $2,199,713,000. Exports of all products to the United Kingdom in the same period of 1954 went down from $617,908,000 to $575,583,000. So far as commonwealth countries are concerned, the report says that in the 11-month period exports to all other commonwealth countries declined to $178,702,000 from $219,402,000, or by approximately $41 million. For the Latin-American countries, in the same 11 months as compared

with the 11 months in 1953, trade dropped from $183,242,000 to $168,009,000. Everywhere in the world our markets are disappearing.

The ministers travel. They make peregrinations and pilgrimages here, there and everywhere. I cannot use "pilgrimate" as a verb, but I think it could be said that while they "pilgrimate" trade stagnates.

What about wheat? Well, the record cannot be laughed off any longer. On a number of occasions in 1954 the Leader of the Opposition (Mr. Drew) indicated in this house that we were losing our markets for wheat. The answer was that there was nothing to worry about but that wheat marketings were keeping up. So far as wheat is concerned, exports between January and November of 1953 amounted to $530,903,000, while during the same period in 1954 those exports were valued at $339,871,000, or a decrease of $190,000,000.

Surely those are not figures that support the optimistic attitude displayed by this government. I think they indicate and display the reason for the unaccustomed silence on trade matters by the ministers of this government, who in the past have boasted about increases in trade throughout the years. What about wheat flour? Exports of wheat flour between January and November 1954 were valued at $81,371,000, while in the same period of 1953 they were valued at $93,590,000, or a fall of approximately $12 million.

What about other grains, that is grains other than wheat? The record is even worse, proportionately. Between January and November, 1953, exports of other grains amounted to $196,263,000, while during the corresponding period of 1954 they were $115,915,000, or a fall of approximately $81 million.

Those records tell the story. They indict this government for its failure to look after trade, for its failure to act, and for its continued reliance upon optimistic statements rather than actual statistics. As to shipments of wheat the record is lamentable. I am not going to quote it unless someone wishes me to do so, but an article appearing early in February by the Canadian Press indicates that all major grain countries except Canada showed increased wheat exports in the first four months of the current crop year. Canada's shipments dropped in those four months by 6,100,000 bushels, the bureau of statistics reported. United States exports in the same period increased to 72,500,000 bushels from 70,000,000 bushels; Argentine exports increased by approximately 2,000,000 bushels to 45,200,000 bushels; Australia's exports increased by approximately 4,700,000 bushels to 26,700,000 bushels.

It is all very well to say that shipments are falling behind demand and sales. The record indicates that we have lost in considerable degree not only our markets for wheat but also our competitive possibilities as against the other wheat producers. That is the picture, Mr. Speaker, upon which the Canadian people ask for information—encouragement, if you will—from the government, rather than the silence that has characterized this government in recent days.

Mr. Howe (Port Arthur): We believe in deeds, not words.

Mr. Diefenbaker: Imagine it, Mr. Speaker; with problems facing us such as unemployment, immigration, trade and all these ancillary problems, only three ministers have spoken and none has faced the issue. We have a right to ask that, before this debate concludes, the Minister of Trade and Commerce renounce this new spirit of a high regard for parliament and its sensibilities and give to the Canadian people the picture as it is, and also some of the plans of the government for the future.

I should like to ask the minister a question. Is the government at the present time giving consideration to having the Bank of Canada take steps that will do away with the premium on the Canadian dollar? Is that subject being considered today? Certainly that premium is in reality, as it now exists, a penalty upon commonwealth and foreign buyers of our export goods. In operation it has the effect of boosting general tariff rates. It means that, through the export tax which it actually creates, our producers in Canada find themselves with even greater difficulties in meeting the competition faced in the restored economies of various countries.

What is going to be done about it? A suggestion was recently made by the president of the Royal Bank of Canada, James Muir, in which he prescribed the use of open market operations by the Bank of Canada in order to affect the rate of exchange and remove this penalty on Canadian exporters, this obstacle in the way of Canadians in meeting competition in the world of today. Here is our position.

Mr. Howe (Port Arthur): Does my hon. friend wish me to answer that question?

Mr. Diefenbaker: I beg the minister's pardon?

Mr. Howe (Port Arthur): My hon. friend asked me a question. Does he wish me to answer it?

Mr. Diefenbaker: All right.

Mr. Howe (Port Arthur): I should like to say that if the people of this country believed my hon. friend, the dollar would not be at a premium today.

Mr. Diefenbaker: That is the first time we have obtained an answer from the minister with regard to any of these matters, and it is about as intelligent as the usual answer he gives when he has not an answer. You know, Mr. Speaker, we may smoke them out.

Mr. Howe (Port Arthur): The suggestion is made that we are going into bankruptcy with the dollar at a premium. That is something new.

Mr. Diefenbaker: The other day the minister said with great feeling that he did not want to waste the time of parliament by making a speech.

Mr. Howe (Port Arthur): My speeches are brief, anyway.

Mr. Diefenbaker: My hon. friend has never been one of those to whom parliament has been an institution to be respected.

Mr. Howe (Port Arthur): Oh, nonsense.

Some hon. Members: Withdraw.

Mr. Speaker: Perhaps on reflection the hon. member might want to modify that expression.

Mr. Diefenbaker: Mr. Speaker, I did not make a reflection, as a matter of fact. I am sorry that Your Honour took it as a reflection. I made it as a statement of fact with regard to the attitude so often taken by the minister in this house.

Some hon. Members: Oh, oh.

Mr. Speaker: Does the hon. member not think that for one hon. member to say of another that he has never been one of those who have considered that parliament should be respected is to say something that might be somewhat unparliamentary?

Mr. Diefenbaker: Mr. Speaker, I do not want to indulge in anything unparliamentary. If Your Honour says it is somewhat unparliamentary, then I certainly do not want to leave such an impression because I have respect for parliament, the absence of which is sometimes shown by my hon. friends opposite.

Mr. Howe (Port Arthur): Mr. Speaker, I would not pay the slightest attention to my hon. friend. I do not think anyone in Canada pays any attention to him. If they do, I have never noticed it. I am sure I do not. Therefore anything he says is quite all right.

[Mr. Diefenbaker.]

Mr. Diefenbaker: I am glad to have that admission, Mr. Speaker, because it supports the view I have had of the attitude of the minister toward the members of this house, all of whom are equals.

Mr. Howe (Port Arthur): I should sincerely hope not.

Mr. Diefenbaker: I again ask the minister and the government to let the house and the country know the situation with regard to the trade position, and also the measures that are to be taken to meet this serious situation resulting from extraordinarily strong competition by other countries, and also resulting from the high price tags placed on Canadian products by reason, in considerable measure, of the unnecessarily high taxes which are imposed by this government and which have continued in existence for several years.

For almost a month, Mr. Speaker, with the exception of the interlude of four days during which we discussed the international situation, parliament has been endeavouring to secure information, first, on the matter of unemployment and what is being done to meet it. That is something that affects every part of our country and every industry and every group of people within this country. I ask that information be given with regard to the railway employees who, because of the fact that they work for a government corporation, have not that freedom to speak which those who work for other than government corporations enjoy and have the right to expect.

Then we want to know what is being done with regard to the question of farm markets. A few days ago the matter of the importation of cheese was raised and the Minister of Trade and Commerce glibly said we had nothing to do with that, that the import permit legislation did not apply in the case of cheese being dumped into this country. As a matter of fact the hon. member for Hastings-Frontenac (Mr. White) showed conclusively that under the orders in council in effect under the Agricultural Prices Support Act power is conferred upon the government, whenever floor prices in our country are being interfered with in any way or when the floor policy is being in any way undermined, to utilize the authority contained in that act. Yet a few days ago, when asked in effect, "What are you going to do about it?" the minister said, in effect "There is nothing we can do. Anyway, they promised us that there would not be any more for a period of several months."

Surely, Mr. Speaker, having regard to agricultural conditions today, the falling income

of farmers throughout this country, the rise in the cost of the things the farmer has to buy, the farmer has a right to expect such action as the laws of the country permit to the end that agricultural prosperity shall not be unnecessarily undermined at a time when agriculture is facing a most difficult challenge. On the one hand the prices of the things he has to sell are going down and on the other hand the prices of the things he has to buy are rising. After all, one reason that we are here is to endeavour to bring about, through discussion, improvement in conditions when they are adverse.

The government have the information. It is another thing they keep in cold storage, along with a lot of other surpluses they have. We ask them, even at this late date, to open up that government refrigerator and reveal the situation with respect to trade, agriculture and the workers of this country.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, before this debate concludes I should like to say a few words on a matter which is of considerable importance to a great many workers in this country. It is a matter concerning which I sought to ask a question this afternoon on the orders of the day, to which the Minister of Transport (Mr. Marler) has agreed to get an answer as soon as possible. My request, as I shall develop it in a moment or two, is that that answer should be obtained and given to the house today.

Before I comment further on that subject, perhaps I might be permitted for a moment to express my regret that I had to be away from the house and away from the building at the time the vote was called on the amendment moved by the official opposition. It was only because of the sudden passing of a close personal friend that I had to leave the building and miss the vote, much to my regret. As hon. members are aware, that amendment included a plea for health insurance, which I cannot now discuss, but like my colleagues I would have voted for it gladly.

On the orders of the day this afternoon I asked the Minister of Transport if he was aware of a report in today's Winnipeg *Free Press*, part of which now appears as a Canadian Press dispatch in this afternoon's Ottawa *Journal*. I should like to give the house the main part of the story as it appears in the *Free Press*, for the *Free Press* gives the context in a way that is missing from the story that hon. members are reading at this moment on the front page of the Ottawa *Journal*. The Winnipeg *Free Press* story reads as follows:

> F. H. Keefe, general manager of C.N.R. western lines, at a banquet of Beaver lodge, local 691, brotherhood of railroad trainmen, Thursday night, said that because of dwindling traffic it had been necessary to make periodic lay-offs.

According to the *Free Press* report Mr. Keefe went on to say:

> "We have been told", he said, "that this year we must reduce our annual maintenance budget by $5 million. And unless we can balance our budget the president has told us he is going to replace the present railway management."

Because that last paragraph is before hon. members in the evening edition of the Ottawa *Journal* they know the wording of that statement, but I point out that it was made in the context of a discussion by Mr. Keefe about the periodic lay-offs that have been necessary on the C.N.R. It is that aspect of it to which I ask the Minister of Transport to address himself in particular. As hon. members know, for the past year or more there has been hanging over the heads of C.N.R. employees across the country the fear of further unemployment. Hundreds of employees have been laid off in various parts of the system from coast to coast. In addition, there have been a number of instances of shops being transferred from one city to another, all of which has resulted in a terrible state of uncertainty and in serious damage to morale so far as the employees of Canadian National Railways are concerned.

This announcement that the president has told the management that they must reduce their annual maintenance budget by $5 million and balance the budget or be fired will certainly add to that uncertainty. It raises the question of whether the management will feel that in order to save their own jobs they have to lay off more employees and cut down their maintenance costs. I suggest that in view of the seriousness of the situation that arises from a statement such as this having been made by a responsible official of Canadian National Railways, the Minister of Transport should make a further statement about this matter in the house today.

I do not know how much longer this debate is going to continue. The minister might be able to make such a statement in the course of this debate; but if this debate should come to an end I am sure that at six o'clock or eight o'clock the house would gladly consent to a reversion to motions or orders of the day so the minister might make an announcement. He certainly should do so in order that the additional uncertainty created by this statement can be cleared up. I cannot help but wonder what is meant by the statement that unless the C.N.R.'s maintenance budget is balanced the president is going to replace the present railway management. I should

like to know how far up in the railway management this proposal of replacement is to be implemented.

If I may use a phrase that hon. members will recall from a couple of years ago, I ask the question, does it include those at or near the top? Does it include the president himself? These are questions that it might be well to have answered.

My main concern is with the effect of an announcement like this on the morale of the C.N.R. employees. Hon. members will recall that for a couple of years we have been asking questions about the lay-off of C.N.R. employees. Time and again the former minister of transport, the Hon. Lionel Chevrier, would stand in his place and express the hope there would be no more lay-offs, and invariably that hope would be shattered.

Lay-offs have continued to take place. In addition there have been transfers such as the one I referred to the other day, that of the foundry from the Transcona shops at Winnipeg to the shops at Montreal. All this uncertainty is most unfair to the employees of this publicly-owned system. Then there are other questions. I have one on the order paper about the pension position of employees who are laid off just a few years before they would qualify for their pensions. I know of cases where the employees concerned feel they have been treated quite unfairly.

It would appear from Mr. Keefe's statement that now some sort of ultimatum has been handed down by the president of the railway which has put those just below him in the position where they feel that in order to save their own jobs they have to be tough with the employees of the system generally. An announcement like that is certainly a sample of bad public relations, if nothing else; and if it is a serious announcement, if it means what it says, it represents a policy which should be reversed.

My reason for rising at this time is to make a plea that the Minister of Transport not let this matter wait until Monday, when questions might be asked on orders of the day, but that he make a statement some time today clearing up the whole situation. Let us have it clear that employee relationships on the C.N.R. are not run by a series of ultimatums from the president. Let us have the C.N.R.'s employee relationships put on a decent and proper basis, one that will be fair to all concerned, in this great national system.

Mr. J. M. Macdonnell (Greenwood): I wish to take the time of the house for just a moment, Mr. Speaker, because I do not want to leave the record made by the hon. member for Winnipeg North (Mr. Stewart) this afternoon unchallenged. He said some very unnecessarily cutting and even contemptuous things about business enterprise in this country which I think are not borne out by the facts. I do not propose to take more than a moment just to review what we all know.

Take first the era of railway construction. Nobody could suggest there was not enough enterprise. It was sometimes suggested there might be too much. I think the courage of those who originally spanned this country with the Canadian Pacific, which now spans the world, was beyond praise. Take again the later railway development period. Whatever could be said of it, it was not characterized by cowardice. Then we know about the agricultural implement industry. It is a world-wide industry. We could go on to the mining industry, both gold and base metals.

We then come to the twenties, and we recall the development of the paper industry. Later we come to the oil and gas development, in which admittedly there is a great deal of United States capital. But why not? Decades ago on this continent the United States was being developed by money from Europe, and there is nothing to our discredit in the fact that United States money is flowing in here freely. But I am informed by responsible people that more than $500 million in Canadian money has gone into the recent oil and gas development.

Finally I wish to give this figure, which came to me as a surprise and which I think we might all bear in mind. Between 1945 and 1952 the increase in foreign investments in Canada was $3·2 billion. During that time the total capital expenditure in Canada was $24·4 billion. In other words, the percentage of foreign capital, comes to only between 12 and 13 per cent of the amount of capital invested. I put that on the record, Mr. Speaker, because I should not like the *Hansard* of this day to be left with that damaging and I think very unfair statement, at the expense of Canadian business enterprise.

(Translation):

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I had not meant to speak again during the debate on the address in reply. However, if I take a few minutes of the time of the house it is because I have received numerous requests and letters from all over my constituency, asking me to speak on behalf of the working people of Quebec city, and more particularly those of the

constituency I represent, and ask the federal government to undertake top priority projects, so as to help the working people of Quebec.

Statistics provided by the various offices of the unemployment insurance commission, regardless of what their compilers may think, do not accurately record the exact number of people who are unemployed at the present time. I refer more particularly to the city of Quebec, as I am conversant with the situation there and I know whereof I speak. I also know that the same situation prevails everywhere in Canada.

I should like to see the government undertake such works at once as would be of particular assistance to the workers of the city of Quebec. Some of the people in my region are in dire need. At this very moment many families cannot obtain unemployment insurance benefits and have to beg food from their neighbours, to feed their wives and children.

In a country like ours, so rich in resources, a situation like this should not exist. Yet it does exist, particularly in Quebec. I cannot understand why the district of Quebec is always the first to suffer, and is hardest struck whenever there is an economic depression in Canada.

There is surely some lack of foresight somewhere and, in my opinion, in the circumstances the only one responsible is the government of Canada, which has taken upon itself to solve the unemployment problem in the country.

Mr. Leduc (Gatineau): What about the provincial government?

Mr. Dufresne: Provincial governments do not have to take care of unemployment in their province.

Mr. Leduc (Gatineau): Since when?

Mr. Dufresne: Since the government stated, after taking over provincial revenues, that the central government would assume the responsibility for the problem of unemployment. Since the government has meddled with matters under provincial jurisdiction it should now do something.

Mr. Leduc (Gatineau): What about Quebec autonomy?

Mr. Dufresne: That is precisely what we aim to preserve, back home. The hon. member who is interrupting is undoubtedly very glad to be living in the province of Quebec where, like his ancestors, he has been able to enjoy the rights which are so dear to us and were so dear to his Canadian ancestors. In spite of the interruptions that may come from the other side of the house—

Mr. Villeneuve: That has nothing to do with unemployment.

Mr. Dufresne: If you had minded your own business, you would have been spared this remark.

Therefore, Mr. Speaker, I urge the federal government to undertake, as soon as possible, the necessary works in Quebec in order to help our people. In glancing at the estimates submitted to the house—

Mr. Langlois (Gaspe): The minister of finance for the province of Quebec said yesterday in his speech that the province is prosperous.

Mr. Speaker: I regret to interrupt the hon. member for Quebec West, but I would like to point out that the house is not in committee, and also that hon. members should not interrupt him, as they have been doing just now.

Mr. Dufresne: Mr. Speaker, I hope you have not intervened because you thought I was worried. I am not afraid of those interruptions; I can face them and handle them.

Mr. Gauthier (Portneuf): What ignorant bravery!

Mr. Dufresne: Ignorance! That is all we find among government backbenchers. They have given good proof of their ignorance by their constant failure to speak in the house. They are satisfied with voting. Speaking of ignorance, we have noted the absence of several members from that side of the house—

Mr. Gauthier (Portneuf): And what about your own side?

Mr. Dufresne: There were 16 missing on this side.

Mr. Gauthier (Portneuf): Mr. Speaker, I rise on a question of privilege. I have not spoken of the hon. member's ignorance. I said: "What ignorant bravery". There is a difference.

Mr. Langlois (Gaspe): Both are true.

Mr. Dufresne: That is not exactly a medical term.

Mr. Gauthier (Portneuf): In your case it would be psychism. That is a medical term.

Mr. Dufresne: Mr. Speaker, it is not the first time I have requested such works; I have done so on numerous previous occasions.

It is all very well to see in the estimates submitted by the government that projects be undertaken in various parts of Quebec, allegedly to alleviate unemployment.

Mr. Speaker, I repeat that the projects to be undertaken in Quebec will not solve that problem. If the unemployment problem is widespread today, we need large scale works to remedy the situation.

The people of Quebec have been requesting for several years the deepening of the St. Charles river, the control of water pollution in the Lairet river and the removal of level crossings. In doing so, the government would make a humanitarian gesture that would bring happiness and welfare to the families of Quebec city and protect the health of our people. I believe we should start looking after the health of our human resources.

Mr. Langlois (Gaspe): Health matters are under provincial jurisdiction.

Mr. Dufresne: If the federal government was in as good health as the Quebec provincial government, I do not think we would have to blame it as we are now doing.

Coming back to the sanitation of the waters of the Lairet river, I think it is ridiculous that the authorities of a religious community, namely the Sisters of St. François d'Assise hospital, were recently asked to spend an amount of $300,000 to protect their buildings, which were threatening to crumble at any moment into a river which is nothing but an open cesspool for the city of Quebec.

I am therefore asking once again that those works be undertaken for the people of Quebec. If the government ignores my requests, I hope that it will at least alleviate the distress of the people I have the honour of representing in the house, and take care of their needs.

Mr. Speaker, I would like to take up a certain statement made the other night by the hon. member for St. Mary (Mr. Dupuis). I did protest somewhat at the time, but he thought it advisable to make a correction the following day through the press. The hon. member stated that the federal government was contributing for hospital construction an amount equal to the contribution of the provinces.

Mr. Lesage: He made a correction in the house the following day.

[Mr. Gauthier (Portneuf).]

Mr. Dufresne: And, as the hon. member lives in the province of Quebec, he no doubt had in mind the government of that province. I must say that the government of my province contributes to hospital construction exactly five times the amount contributed by the central power.

Mr. Langlois (Gaspe): It is also its responsibility.

Mr. Dufresne: It is not complaining about it, but all I wanted to do was to correct an inaccurate statement made by a member sitting on the government side.

Mr. Lesage: He put it right himself the next day.

Mr. Dufresne: He rectified it, but he maintained that I was not telling the truth in stating the contrary.

Now, Mr. Speaker, I was challenged by the same member. I have not answered yet, but I am going to do it this afternoon. He said he was in favour of doubling the family allowances in this country, and that, for once, he agreed with me because in the course of a previous speech I had declared myself in favour of such a measure. In my view, it would be a wonderful thing for large families, because that would increase, in particular, their buying power and would ensure prosperity in our country.

I therefore favour an increase in family allowances by the federal government consistent with the economy. The hon. member dared me to go down to Quebec with him—travelling together—that would be something new. I think I must say today that I have no intention of accepting his invitation.

First, because I do not think that the hon. member would be very welcome—

Mr. Langlois (Gaspe): Why?

Mr. Dufresne: Why? Because I always thought that you should not go and ask favours of those to whom you are not even grateful for a full stomach.

An hon. Member: Explain.

Mr. Dufresne: I would not want to shame the hon. member for St. Mary—

Mr. Dupuis: May I ask a question?

Mr. Dufresne: Certainly.

Mr. Dupuis: Do you solve your problems with your stomach or with your heart?

Mr. Dufresne: In the case I am concerned with, as I have said, I am sorry to tell the

hon. member that he could not solve them either way, for he has shown that he has neither the stomach nor the heart for it.

Mr. Speaker: I wonder if the hon. member would not consider modifying that phrase somewhat. We must not allow too many interruptions, otherwise the hon. member who has the floor cannot go on with his remarks, and the decorum is affected to a certain extent.

I realize that often, in answering a member who has interrupted, the words that come to mind are not always the right ones. That is why I would ask the hon. member to modify the phrase he has used, for I do not think that he meant it, especially where he said of an hon. member that he has no heart.

Mr. Dufresne: I bow to your wish, Mr. Speaker. I will modify my phrase. I will say that the hon. member's stomach is not as large as I thought, and that his heart is indeed much smaller than I thought.

Mr. Langlois (Gaspe): You seem to be an authority on the subject.

Mr. Dufresne: Mr. Speaker, the other day an hon. member told the house about a statement made by one of the C.C.F. members, as reported in a British Columbia paper. This socialist member felt that his rights had been encroached upon, and no later than the next day he made a correction of that statement which amounted to nothing less than a kind of statement. You will remember that the point at issue was the use of French in the parliament of Canada. Here is the verbatim report of the statement made by the hon. member for Vancouver East (Mr. Winch):

(Text):

I have said and said repeatedly that not only it is their God-given right to speak French but that it is also a legal right under confederation. I would do nothing to impede the use of the language. I admire my French-speaking colleagues personally, I admire their culture and I admire their language. But as I said before, when they are perfectly capable of speaking in English, and many of them as well as or better than myself, why use a language that the majority in the commons do not understand?

(Translation):

Mr. Speaker, since you no doubt listened closely to those words, you will certainly have noticed how well they reveal the lack of logic displayed by British Columbia socialists. The hon. member admires the French language. He is apparently much taken with his French-speaking colleagues; he loves them very much; he has a large place in his heart for them. The hon. member admits that this right has been conferred on us by the Canadian constitution. On the other hand, he would like us to forgo that right. Such indeed is the attitude prevailing in British Columbia, and I am hardly surprised that my French-speaking compatriots, especially those of Maillardville, have to suffer from the bigotry of certain people. While on the subject of Maillardville, I wonder what these gentlemen would think if, having chosen to live in Quebec, their children were taught nothing but French or catechism.

Well, Mr. Speaker, this is the same situation in which my compatriots find themselves. They have the right to go anywhere and a section of the Canadian constitution allows anyone to speak either of the two official languages of the country. I cannot see why fanaticism should stop our compatriots from speaking the language of their ancestors.

Besides, great improvement in this regard has become noticeable in this country. In fact, I am pleased to point out that the province in which we find ourselves just now, the province of Ontario, shows considerable improvement. The government of this province gives grants to Catholic and French schools. Furthermore this province also has a French teaching service under a director, as well as a French school inspection service.

I note also with pleasure that, on both sides of this house, many of our English-speaking colleagues make special efforts to learn the other official language of the country, which shows that with good will and by eliminating fanaticism, something can be done. I could mention the example of a man of over fifty who courageously undertook to learn French and who can now speak it well enough to make himself understood anywhere in the province of Quebec, in the fine tongue of Racine. I refer to the Hon. Mr. Drew, leader of the Conservative party. There are others whom I might be permitted to mention, especially on this side of the house; we have for example the hon. member for Greenwood (Mr. Macdonnell), the hon. member for Broadview (Mr. Hees), the hon. member for Eglinton (Mr. Fleming), the hon. member for St. Paul's (Mr. Michener), who all speak excellent French.

Mr. Lesage: There is even the hon. member for Kamloops (Mr. Fulton).

Mr. Dufresne: I was just going to say, Mr. Speaker, that, even as far as British Columbia, one may find a brilliant representative, the hon. member for Kamloops, who speaks excellent French, which is entirely to his credit. I therefore hope that other members will be encouraged to follow their example.

Before I resume my seat, I would like to speak in the name of all the credit unions of the city of Quebec, which sent me some resolutions and requested me to ask the government to honour the late founder of these credit unions, Commander Alphonse Desjardins, by issuing a commemorative stamp in this year 1955 which marks the hundredth anniversary of his birth. I hope, Mr. Speaker, that this request will be transmitted by your good offices to the Postmaster General (Mr. Cote), and that, by putting on a stamp the likeness of the late Commander Desjardins, it will be possible to pay tribute to his devotion and spirit of enterprise as well as to all the good he was able to do, not only in French Canada, but everywhere in this country.

Now, Mr. Speaker, I have only one more thing to ask. Our present position is rather serious. In the immediate vicinity of Formosa, a danger is simmering that may break out not only into a war between communist China and the United States, but into a world-wide conflict.

I think that, whenever we have to face moments as tragic as this, it is becoming more and more important, for us in Canada, to have a common symbol around which all Canadians, of whatever language and creed, may gather. You have already guessed, Mr. Speaker, that the question involved is nothing else than that of a truly Canadian flag. May God spare us such an eventuality—but, if ever we should have to tread the bloody path of a new war, let us hope that those who, for the defence of democracy and civilization, will give their lives on the battlefields, will have at least, before they pass away, the consolation of knowing that they will be buried draped in the folds of a truly Canadian flag.

(*Text*):

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

Some hon. Members: Agreed to.

Mr. Knowles: On division.

Mr. Speaker: Agreed to on division.

Motion agreed to on division.

Hon. W. E. Harris (Minister of Finance) moved:

That the address be engrossed and presented to His Excellency the Governor General by such members of this house as are of the honourable the privy council.

Motion agreed to.

[Mr. Dufresne.]

SUPPLY

APPOINTMENT OF COMMITTEE

Hon. W. E. Harris (Minister of Finance) moved:

That this house will, at its next sitting, resolve itself into a committee to consider of the supply to be granted to Her Majesty.

Motion agreed to.

WAYS AND MEANS

APPOINTMENT OF COMMITTEE

Hon. W. E. Harris (Minister of Finance) moved:

That this house will, at its next sitting, resolve itself into a committee to consider of the ways and means for raising the supply to be granted to Her Majesty.

Motion agreed to.

MAIN ESTIMATES, 1955-56

REFERENCE TO COMMITTEE OF SUPPLY

Hon. W. E. Harris (Minister of Finance) moved:

That the message of His Excellency the Governor General, together with the estimates for the year ending March 31, 1956, presented on January 28, 1955, be referred to the committee of supply.

Motion agreed to.

Mr. Harris: I think we have had a good day and we might now call it six o'clock. At eight o'clock we will go on with the order of business that I indicated last evening.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

INTERNATIONAL RIVERS

PROVISION REQUIRING LICENCE FROM GOVERNMENT OF CANADA TO CONSTRUCT, OPERATE AND MAINTAIN ANY IMPROVEMENT

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the second reading of Bill No. 3, respecting the construction, operation and maintenance of international river improvements.

He said: Mr. Speaker, the purpose of this bill is to enable the Canadian government to ensure that the construction, operation and maintenance of international river improvements are carried out in an orderly manner and in the national interest. By international river improvements I mean any works which alter the natural flow of waters going from Canada to the United States, and which also

affect the actual or potential use of such water outside Canada. The provisions of this bill therefore relate to such international rivers as the Columbia and the Milk river, which cross the international boundary. They are not intended to apply to such boundary waters as the great lakes or the St. Lawrence river, or to rivers crossing provincial boundaries as, for example, the Ottawa or the Saskatchewan.

Mr. Brooks: May I ask the minister if it applies to the Saint John river in New Brunswick?

Mr. Howe (Port Arthur): No, I think not. The headwaters of the Saint John river are, I believe, in the state of Maine.

Mr. Green: No, in Quebec.

Mr. Howe (Port Arthur): Perhaps it is in Quebec. I believe it forms the boundary of the state of Maine. That would come under the jurisdiction of the international joint commission, as I shall show in a moment.

Problems associated with the use, flow and levels of international boundary waters can be resolved by reference to the international joint commission, which operates under the provisions of the boundary waters treaty of 1909. Similarly, problems associated with works in waters south of the international boundary, that cause flooding back across the boundary, are also under the jurisdiction of the international joint commission.

By article 2 of the boundary waters treaty, the government of Canada has exclusive jurisdiction and control of the use of all waters within Canada, which in their natural channels would flow across the boundary, and has the right to divert and use these waters within Canada. The United States has the same rights south of the boundary. Therefore these matters are not within the jurisdiction of the international joint commission. This international rivers bill is designed to deal with these matters, since no other legislation covers regulation in this field.

At the present time the development and utilization in Canada of waters that eventually pass beyond the boundaries and out of the control of this country is a matter of ever-increasing importance in the development of the Canadian economy. This is true of the Columbia river system and similar watersheds. The use of such waters has to be viewed not only in its present implications, and in the light of our relations with the United States, but also in the light of the future water and power requirements of Canada and of Canadians. Any short-run advantage that might accrue from an immediate utilization of these resources should, of course, receive serious consideration.

However, it will be the duty of the government of Canada to make sure that the short-run advantage is consistent with long-term planning. The demand for hydroelectric power in Canada is insatiable; in fact, our industrial economy is largely built on low-cost electricity. In 1920, 5.6 billion kilowatt hours were produced. By 1928, this figure had nearly tripled to 16.3 billion. By 1941 the 1928 figure had more than doubled to 33.3 billion, and by the end of 1954 production had reached approximately 70 billion kilowatt hours. Within the year 1954 new installations both hydro and thermal generating electric power reached an all-time record —approximately 1,875,000 horsepower completed within that one year. The total installed capacity in Canada now stands at over 18 million horsepower, with another 4 million horsepower actually under construction as of January 1, 1955. Obviously it would be a shortsighted policy indeed that would jeopardize the power resources of Canada for a short-term advantage, or for an inadequate return.

We in Canada are apt to have the comfortable feeling that we still have an abundance of undeveloped hydroelectric power. However, much of our potential resources are in remote districts and do not warrant development at the present time. I think I can say that only two provinces, Quebec and British Columbia, are in the happy position of having sufficient accessible undeveloped power to meet their requirements well into the future. Ontario is now developing the power resources of the St. Lawrence river, which is their last major source of low-cost hydroelectric power. With this in mind, our duty to future generations is obvious, and that is to conserve carefully our remaining hydroelectric potential, in order to permit the further development of Canadian industries, and the further advance in the Canadian standard of living.

It is the prime purpose of this international rivers bill to ensure that the long-term national interest is safeguarded and is not prejudiced by development planned to serve immediate local purposes that may be inconsistent with the longer view. This legislation when enacted will enable the government to control, by licensing, the construction, operation and maintenance of works in Canada that affect international rivers. The purpose will be to ensure the most advantageous development of a water system, taking into account alternative development opportunities that may exist now, or that may open

up in the future. Control will also be exercised over projects within Canada which have as a prime objective the creation of energy or other benefits outside of Canada. It is essential that the terms under which any such projects are authorized include appropriate safeguards to protect national interests.

As I have said before, in recent years we have begun to realize that water is not a limitless resource, nor is its development purely a local problem. There is fairly general agreement that we cannot afford to waste water and that every effort must be made to use our water resources efficiently. We have to take into account, when planning the use of our water resources, the various implications for industrial, regional, national and international development.

We used to think of development in terms of a single project. It is now necessary to think in much broader terms: to consider the effects which a number of projects may have on one watershed, and still further, to consider how the development of one watershed may affect the future use of water in an adjacent basin. Diversions, especially of flood waters, from one major drainage area to another, have become possible as a result of new developments in technology, thus making possible the co-ordinated use of our various sources of energy. Where adjoining watersheds exhibit different characteristics as to storage capacity and control, there is a strong argument for their physical inter-connection. Even when inter-basin transfers of water are out of the question, it still may be possible for one of its major by-products, hydroelectric power, to provide the means for co-ordination.

Economies in long distance transmission have made it possible to move electricity to load centres at least 500 miles away, and progress continues in extending these distances. In concerning ourselves with international river developments, we therefore need perspective. We must be prepared to look beyond the basins themselves to the ramifications in terms of energy, and the facilities for its effective use, before determining the effect that a specific project may have on the Canadian economy as a whole.

This means that careful consideration will have to be given to all proposals which involve the appropriation by outside interests, for the long term, or perhaps in perpetuity, of water resources of potential value to Canada. We must first find out whether we can make effective use of these water resources within Canada. If it is in our national interest to facilitate downriver utilization of water in another country, as a result of works undertaken in Canada, then we must make sure that Canadians obtain benefits commensurate with the water resources thus being provided to our neighbours.

In working out appropriate arrangements with our friends to the south, we must behave as reasonable neighbours do, perhaps even acting as partners in some of these vast undertakings. We must be prepared to settle many an issue in an atmosphere of give and take. Americans and Canadians have acquired a good deal of experience in resolving certain international water problems through the operations of the international joint commission. Similarly, it should be possible to resolve any problems that may arise out of developments affecting international rivers in a friendly and co-operative spirit.

I do not propose to deal today with the technical and legal details of this bill. That can be done much better when this matter is dealt with in the standing committee on external affairs, to which the bill will be referred after it has received second reading. But perhaps I might deal with two questions: Are the policies which have led the government to introduce this bill in line with the principles of the boundary waters treaty, as they have evolved over the last close to half a century? Is what we are proposing similar to practice in the United States designed to ensure the effective development of their own water resources? The answer to both these questions is yes. Let me elaborate.

As I have already pointed out, article 2 of the boundary waters treaty states that each country shall have, and I quote,

> . . . the exclusive jurisdiction and control over the use and diversion, whether temporary or permanent, of all waters on its own side of the line which, in their natural channels, would flow across the boundary.

Thus the treaty makes it quite explicit that Canada has complete authority over rivers flowing within her boundaries, leaving it to the government of Canada to control the use, flow, and levels of such rivers within our own territory, and to deal with any projects within Canada that might interfere with the natural flow of international rivers.

However, in exercising these rights Canada must bear in mind the rights of persons who may be affected by projects altering the natural flow of international rivers, or by the construction of storage dams and similar works which regulate the flow of waters. If such persons are injured, whether they are citizens of the United States or of Canada, they are entitled to compensation. They may come before the courts of the country that is interfering with the natural flow of international rivers, and claim compensation, whether or not they are citizens of that country.

This, we think, is a sound principle, for the rights of the individuals in both countries are thus protected. But it means that we in Canada must be very careful in granting any licenses that would create new vested interests outside our country. For, if at some future date there were promising opportunities to use Canadian water resources more effectively in our own country, vested interests in the United States might well have substantial claims on Canada.

The principle of compensation, as it has developed, covers all interests, including both private and public interests. An example of this is the case of the application for authority to build a dam on the Saint John river at Grand Falls, New Brunswick, which had the effect of raising the water levels in the international section of that river. The international joint commission granted its approval of the flooding at the boundary only after prolonged hearings, and on condition that the Canadian applicant carry out the terms of an agreement which the applicant had entered into with a United States company during the course of the hearings.

That agreement in effect conceded the validity of the arguments presented so forcibly to the international joint commission by counsel for the United States government. The counsel for the United States asserted that the "protection and indemnity" provision of the treaty did not relate exclusively to physical damage, but included also "compensation" and "a share in the benefits", which could be ordered by the international joint commission in any form desired by the United States, including the delivery of electric power. He asserted furthermore, that the compensation must take account of all interests, including the public interests of the United States and its states, as well as those of the private individuals whose property would be flooded. Finally, counsel claimed specifically on behalf of the United States a share of the power generated at the downstream site in Canada, proportional to the additional head made available by flooding in the United States and the share of the flow thus provided by the United States.

This point of view of the United States government was accepted by Canada. It is this type of thinking which the Canadian government intends to apply in administering the provisions of the international rivers bill when enacted.

Now there will be cases where the project involves the storage of water in Canada, and its release in a regulated flow. This may constitute a very valuable service to the downstream country. Not only may it reduce the damage from floods, but, through the conservation of flood waters, it may also make additional water available to the downstream country for power generation, or other purposes, during periods of low natural flow. Since the downstream country has no claim to this service, it is evident that Canada can reasonably require recompense in acceptable form if the downstream country requests us to provide the service.

Numerous formulae have been advanced to cover situations such as these. The resultant power might be divided equally, based on the thesis that, while the downstream country is providing the "head", the upstream country is providing the "flow". Head and flow together constitute power. One without the other is useless. The actual proportion of the power benefits received by the upstream and downstream countries will depend on the merits of each case; but there is little doubt that both countries will expect to get a reasonable share of the power developed as a result of joint efforts.

This important question of the great benefit conferred on downstream power plants by upstream storage is receiving increasing recognition in the proposals to govern downstream benefit settlements being worked out among the various states south of the border. The draft Columbia interstate compact, prepared by a commission which includes representatives of Washington, Oregon, Idaho, Montana, Utah, Wyoming and the United States government, in providing for the allocation of power to be generated at downstream plants recognizes the contribution which will be made by storage and regulation of flow in the upstream states.

In guarding the national interest, we must be sure that any arrangements between Canadian and American interests are concluded at arm's length; that they are bound up in long-term contracts between responsible utilities; and that the recompense in power or cash for the resultant benefits in the downstream country bears a close relationship to a fair market price of the electricity so generated, as well as to the value to Canada of alternative water resource developments solely in this country. For example, unless the cost of electricity to the beneficiaries in the United States is comparable with that of the best alternative project within their own control, we would have good reason to be sceptical. As far as Canada is concerned, in order to be acceptable in the national interest, any private arrangement would have to ensure an optimum return in perpetuity and in real terms. By real terms I mean the going price of power from time to time, or better, compensation by an appropriate block of power delivered in Canada. Unless

its terms fully accord with these requirements, governmental approval of the arrangement may have to be denied.

The principle that adequate compensation is a condition attached to the right of each country to exercise full control over waters flowing across the boundary was incorporated in the boundary waters treaty at the insistence of the United States secretary of state, Elihu Root. It was accepted by Canada and thus it became a fundamental principle of the treaty, having general application for the future.

The United States government has since, through the federal power commission, exercised authority over the construction, operation and maintenance of international river improvements in that country. As and when the international rivers bill becomes law, Canada will be exercising similar control over our international waters. This bill asserts the accepted principle that Canadians have full control over waters within Canada, and first call on their use.

In conclusion, I would like to emphasize again that the authority asked for in this bill will enable the Canadian government to ensure that development and utilization of Canadian water resources covered by this legislation will be carried out in an efficient manner, thus protecting the national interests of this and future generations.

Hon. members will have noticed that international law and international practice have had much to do with the drafting of this bill. It seems to me that hon. members should be given an opportunity to discuss the provisions of the bill in committee, where they will have the guidance of General McNaughton and other experts on the subject matter of the bill. Since external affairs are involved, the appropriate committee would seem to be the committee on external affairs. Mr. Speaker, I would ask that, after this bill receives second reading, it be referred to the committee on external affairs.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, I have been very much interested in the speech just made by the Minister of Trade and Commerce (Mr. Howe) in introducing this bill, and personally I am gratified that he has decided to have it sent to the standing committee on external affairs. When I spoke in the throne speech debate I asked that that be done, and I believe that committee can do an excellent job in considering this particular measure. In fact this is the type of bill which can best be handled by a committee of the house. Because we view the measure in this way we are not opposing second reading of the bill but we would like to make it clear that although we agree to let it have second reading in order that it may go to a committee, we are reserving the right to make a decision as to what shall be done after the bill has been through the committee and has come back to the house.

In his remarks the minister did not explain that the bill arises largely by reason of a dispute between the government of Canada and the government of the province of British Columbia. The latter government have made an agreement with the Kaiser interests in the United States under the terms of which that firm is to erect a dam across the lower end of the Arrow lakes, these lakes being an enlargement of the Columbia river.

Apparently the provincial government believe they have made a good bargain. They are to get quite substantial payments from the company and in addition a certain percentage of the power that is produced in the United States by reason of the dam being erected in Canada. The government of Canada apparently object to this agreement, and arising out of this controversy we have the present bill. I believe that the bill is of great importance because of this controversy, and also for other reasons.

In looking at the map of Canada I find that there are several important rivers which flow from Canada into the United States and accordingly would be subject to the terms of the bill. Actually there are not as many of these rivers as one would think. First there is the Saint John river which apparently rises in Quebec, flows into the United States and then into New Brunswick, but the minister has said tonight that it would not be subject to the terms of the bill.

Mr. Howe (Port Arthur): Perhaps my hon. friend would not mind a correction. I do not think it flows into the United States. As I remember it, it rises in Quebec and becomes the boundary between the United States and the province of New Brunswick.

Mr. Brooks: It flows through the state of Maine for quite a distance before it forms part of the boundary.

Mr. Howe (Port Arthur): Oh, perhaps it does.

Mr. Green: That is one of the questions which will have to be worked out in the committee. There seem to be no other rivers of any size which flow from Canada into the United States until we come to the Milk river in Alberta. There are two small ones in Saskatchewan, the Souris river and Frenchman river. One of the members from

Saskatchewan tells me that he has never heard of Frenchman river, so I take it that one at least is not of great importance.

But once you get to the province of British Columbia there are several great rivers which will be affected by the bill. First of all there are the rivers in the Columbia river system including not only the Columbia itself but also the Kootenay, which is a tributary of the Columbia, and the Okanagan and Similkameen, all quite important rivers. In the Columbia river system there are also three great mountain lakes, Kootenay lake, the Arrow lakes, which as I said before are really a widening of the Columbia river for well over 100 miles, and Okanagan lake. All these lakes, therefore, will be subject to the terms of this bill.

Then there are the rivers which flow out of British Columbia into the panhandle of Alaska, notably the Stikine river and the Taku river. These are very large rivers, and it is of significance that on the Taku river the Frobisher interests plan to construct a great smelter which will be operated by power derived from the headwaters of the Yukon river. As I read the bill the Taku river will be subject to its terms. The Yukon river itself also will be subject to the terms of the bill because, as hon. members know, it flows from the Yukon Territory through the territory of Alaska. That may not seem important at the moment because the dominion government controls the Yukon Territory; but if the Yukon should become a province, which I am quite sure it will eventually, then it will be in the same position as the province of British Columbia is today with regard to the Columbia river system. The bill, therefore, affects some very important rivers in western Canada.

Presumably it will affect those rivers a long way from the boundary. In other words it does not affect them only at the boundary or within a few miles of the boundary; it affects them many miles back. For example, on the main Columbia river there is a wonderful power site several hundred miles north of the boundary at a place called Mica creek, which is up near the top of the big bend of the Columbia. Eventually at that point, and I hope at an early date, a dam will be erected and a project constructed which will cost, General McNaughton told the committee on external affairs last year, about $425 million and will produce a tremendous amount of power. I do not have the exact figure at hand at the moment, but that Mica creek project will be a very large power development.

The question arises in one's mind as to whether that Mica creek dam project also is going to be subject to the control of the dominion government under the provisions of this bill. The importance of the bill is very far-reaching, much more far-reaching than one would think at first glance. What is done on the Columbia river system will affect the people living in the interior of British Columbia for the next 100 or 200 years. This is not a short-term problem. It is vital to the development of that whole part of western Canada. This is one of the reasons I heartily agree with the minister when he says that the bill should go to the committee for study.

Another reason is that this is a brand new type of legislation. Offhand I cannot think of any similar legislation on the Canadian statute books. Parliament is dealing with a new problem, and for that reason too it is important that the bill be studied by a committee.

I believe the whole foundation of the bill is contained in the words—I cannot refer to a section, Mr. Speaker, but these words are used—"developing the water resources in the national interest". That is what this bill aims to do, develop the water resources of Canada in the national interest. Mind you, it goes further than covering future developments. The bill provides for taking licensing control over the existing developments. If there is a dam or power plant already in existence, under the terms of this bill that plant is now subject to licence. There are several large power plants on the Kootenay river just before it flows into the Columbia, and as I read the bill those plants will have to obtain licences within a year, otherwise the dominion government can demolish them. I propose to say something about this power of demolition a little later.

Another reason the bill should be considered by the committee is that it involves very grave constitutional questions. The provinces of Canada have always been very jealous of their jurisdiction over property and civil rights, and that is one reason the government of British Columbia is so concerned about this measure. General McNaughton recognized that in his statement to the external affairs committee last year. I have here the proceedings of that committee, and I am quoting from General McNaughton's evidence at page 174. He said:

> So from the commission point of view, that project—

He is referring to the Mica creek project.

> —could be cleared for construction at any time within a year. The people to build it, the responsibility of building that dam, lies with the provincial government.

This is General McNaughton speaking.

> They must say whether they are going to build it themselves through the B.C. power commission

or whether they are going to bring in a group of private interests to build it. All these things are very definite possibilities, but the decision will lie with the provincial government.

Then I asked him:

Q. The dominion government would take no part in the construction of these developments?
A. The federal government of Canada has the over-all responsibility of negotiations with the United States.

The Minister of Trade and Commerce has pointed that out tonight.

It is very essential that the negotiations in regard to the benefits that come from the regulated water and controlled flow, and so on, should be settled and will have to be settled before it would be wise for the provincial government to authorize someone to go ahead and build it.

General McNaughton's own evidence shows quite clearly that the provincial government is vitally interested in the Mica creek project, as well as any other projects on the Columbia river system.

Another reason the bill requires careful study was dealt with by the minister this evening when he mentioned downstream benefits. This doctrine of downstream benefits has only been worked out lately. General McNaughton told us that Canada was only able to make headway on that argument because the northwest states got into an argument between the upstream and downstream states, with the upstream states insisting that they should get benefits from the downstream states. Having established that principle in the fighting between themselves, Canada was able to come along and take advantage of their argument.

General McNaughton dealt with this question too, and at page 166 of the committee evidence he said:

As I mentioned before, power is the product of head and flow, the factors come in equally on it and it does seem and has seemed to those of us who are studying the matter, and a lot of other people as well, that when this additional power which is derived without any cost in the generating plant, because generating plants are idle unless the required flow is provided to them, that power which is produced in that way should be divided between the two countries. That has been the very forceful contention made to us by the government of British Columbia and it is the crux of the discussion which is going on with the United States.

The external affairs committee members were very much impressed by General McNaughton's evidence about downstream benefits, and in their report they inserted this paragraph:

Your committee also approves of the stand taken by the Canadian section of the international joint commission concerning recompense for downstream benefits on the Columbia river system.

Before I go on to deal with the Columbia system itself in some detail I should like to refer to the powers taken in this bill to seize works which have not been properly licensed.

As I say, they can be seized by the dominion government and can be removed, destroyed or otherwise disposed of. Now, it looks as though the province of British Columbia, if it cannot have the Kaiser people build a dam, may try to go ahead and build a dam itself with government funds. Under the seizure powers we can get into a position, Mr. Speaker, where the British Columbia government, having built a dam without getting a licence from the dominion government, may then have that dam removed by the dominion government.

Talk about Formosa. I can picture to myself Premier Bennett standing on this dam, and in the front line trenches will be the little corporal from Macleod with all the other Social Crediters who have come from the province of Alberta into British Columbia. Premier Bennett will have around him all the rest of his supporters who are not quite sure what Social Credit is, but anyway there they are.

Mr. Garson: And he will have Conservative support.

Mr. Green: Yes, and some Liberals, too. Then coming down the Arrow lakes will be Admiral Howe of Port Arthur; the commander of his landing party will be Mr. Laing, the provincial Liberal leader in British Columbia, and the people of British Columbia will be running to take shelter behind a boulder or stump or anything to get out of the line of fire. And I can imagine the leader of the C.C.F., the hon. member for Rosetown-Biggar (Mr. Coldwell), will be running off to the United Nations with the other nine provinces to try to get a cease-fire.

Mr. Knowles: What about Ripple Rock?

Mr. Nowlan: You can't hide behind that; it will be blown up.

Mr. Green: We are trying to settle the question of Formosa. If we do not look into this bill very carefully I am afraid we are going to have a civil war here in our own backyard. I would not call British Columbia the back yard; I mean the front yard.

I am really very much interested in this because 40 years ago the hon. member for Kootenay West (Mr. Herridge), who is an old friend of mine, sailed up these same Arrow lakes with me and the 54th Kootenay battalion on our way to a real war. Both of us are old-timers in the district. I was born there, and in fact my father was a pioneer right where this dam is supposed to be built. In any event, for the people of British Columbia this is a very serious question.

I come now to the Columbia river system itself. As I said in opening, that is the reason for the bill. There would not have been

any bill of this kind brought forward had it not been for this controversy over the Columbia river system. General McNaughton told the committee last year of the great importance of that system. I quote from page 164 of the evidence of the external affairs committee. He said:

> This is probably one of the most important matters under discussion between Canada and the United States at the present time. It is an issue which is engaging the attention of the peoples of those parts, I was going to say, almost to the exclusion of everything else. It is without doubt the biggest issue in the west today and indeed, when it comes to be known about in the rest of Canada it will be regarded as a matter of first-class importance.

He told us that the Columbia river system is the third largest river system on the continent, the Mississippi being the first, the St. Lawrence the second. The Columbia river has practically the same power potential as the St. Lawrence river system.

The northwestern states of Washington and Oregon, through which the Columbia river flows, are short of power. On the other hand, the southern interior of British Columbia is not in that position. It has not been developed to anything like the same extent as the states of Washington and Oregon, and that is one reason for the problem. It has not been necessary for British Columbia to worry so much about power. Our industries in that area are not developed to the extent that they require as much power as is required by the industries of Washington and Oregon.

Eleven years ago the international joint commission was given instructions to investigate the Columbia river system. They have been a little dilatory in not having completed the examination earlier, although I realize that there have been reasons for the delay. General McNaughton told the external affairs committee last year that it would be some years yet before the Canadian survey of the system would be completed. I quote from page 169 of the evidence, where he said:

> ...if we are lucky we should have about two more years of field work, and after that we have to increase our office staffs for compilation of the report, and that may take from a year and a half to two years. It will be that long before we have a comprehensive report on the Canadian section of the basin which is comparable to what is known as the United States army engineers 308 revised report, which is a very comprehensive document. These reports are very voluminous; we have them in our office if anyone wishes to come in and see them. The Canadian report will be very comprehensive, and it must be so because we are dealing with investments that are literally astronomic; and if they are done properly they will have a benefit to our people down through the years. If mistakes are made they may well be impossible to correct, and even if you do correct them it will be very expensive and it may be disastrous. We must do these things properly.
>
> The fact that these surveys have had to run on does not mean we are necessarily unable to proceed with individual developments. Once we are satisfied that these individual developments fit correctly into the general scheme of planning to get the best out of the basin as a whole, we will get on with it.

Last year in the committee General McNaughton emphasized the need for co-operation between the dominion and provincial governments. He put that so clearly, and surely it must be evident to every hon. member that in order to have the portion of the Columbia river system which is in Canada properly developed, there must be co-operation between the two governments. That is why I regret all this warfare that has been going on between the governments. General McNaughton said on page 168:

> I want to say in that connection, when this reference comes to us from the two governments—

That is the governments of Canada and the United States.

> —that the provincial authorities have full access to the commission to make their representations. I am happy to be able to say to you that ever since that reference was sent to us, there has in fact been the closest association between the commission's officers and our board of engineers with the provincial authorities, without regard to the administration in power.
>
> There are no changes; the views put before us by British Columbia have been gone over by each succeeding government in detail and they have been reaffirmed in all their particulars. In dealing with British Columbia we feel we are dealing with views that are the consensus of views of all the people in that province, and I think when you have views with that sanction behind them that they are views to which we must all pay the greatest attention; they have to be given every weight in the considerations that come forward in the international field.

That of course was good sense. I believe there was co-operation at that time, which was less than a year ago. But here I must find fault with the provincial government. According to an answer given by the Minister of Northern Affairs and National Resources (Mr. Lesage) on January 11, as reported at page 64 of *Hansard*, the British Columbia minister of lands and forests, Mr. Sommers, wired General McNaughton on September 17, 1954, about this proposed dam as follows:

> Government of British Columbia proposes to enter into agreement with Kaiser Aluminum and Chemical Corporation allowing said company to erect dam on lower Arrow lakes to store three million acre feet of water. Payment for same to be 20 per cent of power generated on American side delivered free to British Columbia.

The next day General McNaughton answered that wire and suggested that no action should be taken before the British Columbia government received a copy of the report of the new topographical studies of the Columbia system which were being made under the direction of the dominion government. Yet on that very day, September 18,

Mr. Sommers wired back to General McNaughton that British Columbia had executed an agreement. Mr. Sommers stated in the British Columbia legislature just this week that the provincial government intended to go ahead with the Kaiser dam.

Mr. Lesage: He said also that the agreement was signed on the 17th.

Mr. Green: Apparently he said also in the legislature this week that an agreement had been signed on September 17. Of course that could hardly be called co-operation. I stress again that the only way the Columbia river can be developed in a proper manner for the people of British Columbia, indeed for the people of Canada, is by co-operation between the dominion and provincial governments.

There is one other reason I believe this bill should be studied, and that is contained in the statement made tonight by the minister, when he made reference to the diverting of one river from its own system into another. I have seen press dispatches to the effect that part of the Columbia river might be diverted into the Fraser river. That has had its attraction for engineers, but on the coast we are much concerned about an undertaking of that kind. We had a terrible flood on the Fraser river just six years ago. This is also a most important fishing river. Millions of dollars worth of fish were caught last year in the Fraser river and off its mouth, and we will insist on a very close look being taken at any proposal to divert part of the Columbia river into the Fraser river system.

I do not think I need go any further to convince the house that the proper course is to have this bill sent to the committee for further study in order that we may get the whole story—not only that we may get it, but also that the provincial government and the people of British Columbia may get it. I was glad to hear the minister say that General McNaughton would be made available as a witness. I believe the government should also produce the officials of the Department of Northern Affairs and National Resources who have been making the survey. It should also produce the men who drafted this bill so we may find out the legal basis for the bill. From what the minister said tonight I assume they are relying largely on the boundary treaty, but in any event there should be a thorough examination of the law officers of the crown.

I hope an invitation will be extended to the provincial government to send their representatives. It may be that they are so annoyed about this matter that they will refuse to send anyone down. If they take that stand I think it could well be considered a sign of weakness. The government of British Columbia should be prepared to send representatives here to tell the provincial side of the story. I see no reason why the Kaiser people should not be requested also to send their representatives. They made a deal with the province of British Columbia involving a good many millions of dollars. They do not think they have done anything wrong, and I think it would be helpful if they were asked to come here to give evidence.

That is all I have to say about the bill. In closing I should like to emphasize that it is a far-reaching measure, not only because of its effect upon the Columbia river system but because of its possible effect upon other great rivers of Canada. By this bill we are establishing a precedent for a new type of project. As far as the Progressive Conservative party is concerned, we would like to see the bill go to the committee and we are willing to have it given second reading for that purpose. But, as I have said before, we reserve our right to deal with the bill on its merits when it comes back to the house from the committee on external affairs.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, this bill is of particular interest to my constituents as well as to many people in British Columbia and many other Canadians. I was pleased with the logical explanation of the purposes of the bill given by the minister. I understand that its first purpose is to protect our national interests, to provide for the long-term development of our rivers, and to make certain that our international rivers are developed efficiently.

Like the hon. member for Vancouver-Quadra (Mr. Green) I was pleased to hear the minister say he was going to recommend that the bill be referred to the committee on external affairs. This is a rather complicated question for people to deal with, particularly those who have not a firsthand knowledge of the situation. I think the committee should have an opportunity to hear General McNaughton and the officials of the Department of Northern Affairs and National Resources, as well as other technical experts. I agree with the hon. member for Vancouver-Quadra that the government of British Columbia should be invited to send representatives, as well as the Kaiser Aluminum and Chemical Corporation. I am quite sure that the more daylight we can shed on this bill, the more convinced the great majority of members in the house will be that it is to the general advantage of Canada and in the interests of the Canadian people.

Mr. Speaker, since the Columbia was discovered in 1811 by Thompson that area has been rich in history, rich in events, and also rich in unusual people. In view of the present interests in the development of the Columbia basin I think it was most appropriate that last year there was unveiled at Castlegar a monument to the memory and the service of David Thompson and what he did for Canada when he discovered the Columbia in 1811.

I have had the great privilege of living on the banks of the Columbia for nearly 50 years, and I have witnessed many interesting developments and many changes. Like all old-timers in that district I have always retained great confidence in the possibilities for development of the area. Fifty years ago it was sparsely settled land, almost unknown. You might say we lived almost in solitude, in small communities in the silence of the forest primeval, short on cash, generally speaking, but long on hope and ambition.

Now our ambitions and hopes are beginning to be realized. It was a very different country in those days from what it is today. To illustrate the distance between communities I will tell a story in connection with my father, who was a rather interesting and unusual character. When the first aeroplane went over our property, I think it was shortly after the first world war, my father called me out and said. "You see that thing, Bertie?" I said, "Yes." He said, "Do you know what it means?" I said, "No." "Well," he said, "it means there's no damned privacy anywhere nowadays."

I remember listening to the late Sir Richard McBride, former Conservative premier of British Columbia, addressing an audience in my district and telling us that we lived in paradise, a garden of Eden, and all that was required was ambition and hard work to become well off. I also remember listening to the father of the hon. member for Kamloops (Mr. Fulton) who at that time was a member of the government of British Columbia. He also bucked up our spirits by telling us of the possibilities for getting rich by growing apples and so on.

I remember another occasion when a very well known governor general came to our district. I was on the reception committee. I remember him telling us that we lived in a paradise. And I shall never forget one old gentleman who was presented to the governor general, and the comments of that old gentleman. He was a well known Methodist and a very strong prohibitionist. I said to him, "John, what did you think of the governor general?" "Well," he said, "he might convince me that we are living in paradise; but from the look of that nose he could not convince me that we can bank on his vote for prohibition."

Now the situation is entirely changed. Our district has developed a great deal in the last 20 years particularly, and there are possibilities for greater development in the future. Whereas 25 years ago the Columbia river basin was almost unknown, today it is receiving attention across Canada and in the United States, and I have even had considerable correspondence from Great Britain. I think wherever there is a discussion of possibilities for the development of power, interest in that district is aroused.

In passing I believe it is of interest to note that there are four members in this House of Commons who spent their boyhood days in the Columbia and Kootenay districts. I am referring to the hon. member for Vancouver-Quadra (Mr. Green), the hon. member for Skeena (Mr. Applewhaite), the hon. member for Yukon (Mr. Simmons), and the hon. member for Kootenay West.

While we went almost unknown for many years, today the possibilities of our district are being generally recognized. I noted in reading the report of a committee of the congress of the United States the statement was included that from the standpoint of resources the Columbia is the mightiest stream on the North American continent.

I believe the interest of the federal government in the development of the Columbia in Canada commenced after the building of the Grand Coulee dam, when the possibilities for the development of power on the Columbia were demonstrated. It was as a result of that, I presume, that a reference was made to the international joint commission in March, 1944, by the House of Commons and by the congress of the United States. So far as I can gather, the information that has been obtained to date is perhaps the most complete and comprehensive concerning any river basin in Canada. Very good work has been done as a result of co-operation among various federal departments and the co-operation of the provincial government as well. $3 million has been spent to date. It will take about two years to complete the surveys and two years to compile the report. Then we should have complete and definite information as to the possibilities for power development on the Columbia.

While I am dealing with this question I should like to draw the attention of the house to some mistakes that have been made in the past. That is why many of us are greatly concerned lest serious mistakes be made in the future in connection with the development of the potential of the Columbia.

First of all it is fair to say that for many years all governments in Canada failed to realize the possibilities for development of the natural resources of the Columbia river basin.

Second, I think a mistake was made when the government of Canada failed to secure compensation from the United States for violation of article II of the Oregon treaty. I have mentioned that before, but I continue mentioning it because I think it is something that should be taken into consideration when we reach the point of negotiating arrangements with the United States authorities. Article II is as follows:

> From the point at which the 49th parallel of north latitude shall be found to intersect the great northern branch of the Columbia river, the navigation of the said branch shall be free and open to the Hudson's Bay Company, and to all British subjects trading with the same, to the point where the said branch meets the main stream of the Columbia, and thence down the said main stream to the ocean, with free access into and through the said river or rivers; it being understood, that all the usual portages along the line thus described, shall in like manner be free and open.
>
> In navigating the said river or rivers, British subjects, with their goods and produce, shall be treated on the same footing as citizens of the United States; it being, however, always understood, that nothing in this article shall be construed as preventing, or intended to prevent, the government of the United States from making any regulations respecting the navigation of the said river or rivers, not inconsistent with the present treaty.

Now it appears that when the Grand Coulee dam was built no representations were made by the Canadian government to the United States government. According to a letter I received from the Department of External Affairs the files were searched, and a review of the records disclosed this to be a fact. However, in the letter I received from Mr. H. H. Wright of the Department of External Affairs under date of April 14, 1949 he has this to say:

> A review of the records has disclosed; (a) that a similar question was asked in the House of Commons and a reply given by Mr. Bennett in 1935. The record is contained in *Hansard*, page 3883, dated June 13, 1935. A copy of this extract is attached for your information; (b) that during consideration by the international joint commission in 1941 of the application of the United States government for approval of the construction of the Grand Coulee dam, the Canadian government did not present testimony. However, at a hearing in Spokane on February 21, 1941, the Canadian government reserved the right to submit later any claims for damage in Canada arising from flooding of Canadian property, and, at a further hearing in Trail, a spokesman for the government reserved the right for it to file a brief at a future date.

I mention that matter again because in talking even with United States officials I found they were surprised that the Canadian government did not ask for some compensation for the violation of article II of the Oregon treaty. When we negotiate these big proposals for the development of the Columbia river with our friends in the United States I trust we shall not forget that we surrendered an extremely important right in article II of the Oregon treaty when the Grand Coulee dam was built, and that we are entitled to some substantial compensation.

Another mistake has been that up until recent years sufficient emphasis was never put on the recognition of the payment of downstream benefits in the nature of power. As I think the minister mentioned, the principle of recognition of downstream benefits is being adopted in the United States as a result of negotiations between one state and another in the development of power projects. But I want to bring to the attention of the house the fact that the man responsible for the recognition of downstream benefits in the United States is General McNaughton, chairman of the Canadian section of the international joint commission. He has spoken on this question in the United States at meetings at Seattle, Spokane and other places.

When he first suggested the principle of downstream benefits it at least created a great deal of surprise among the people he was addressing. But as a result of his educational program, shall I say, with respect to the recognition of downstream benefits and Canada's rights in that respect, they are now recognized between state and state and it looks as though, in the near future, in our negotiations with the United States we shall have little difficulty in having the principle of downstream benefits recognized by the authority we are dealing with in connection with any negotiations for the development of power or storage on the Columbia river.

I am not going to deal with the constitutional position, Mr. Speaker. It was mentioned by the minister when speaking on the bill, and was mentioned by the hon. member for Vancouver-Quadra. I think that is one subject into which the committee might make inquiry, that we may all be informed as to the details of the constitutional position of this bill. Personally I am convinced that the bill has a sound constitutional basis because of certain clauses of the British North America Act and as a result of certain practices and procedures that have become recognized as between the Canadian section of the international joint commission and certain provinces in Canada with respect to the development of certain rivers.

However, Mr. Speaker, I expect that another member of our group will deal more

particularly with that question as this debate proceeds. As I said before, to my mind there is no question as to the right of this parliament to pass this bill under the terms of the British North America Act. However, I think it is a subject that might well be discussed by the committee when it studies the bill.

I am now dealing with the purpose of the bill and its effect. One effect of this bill may be to discourage the building of the proposed Kaiser dam near Castlegar on the lower Arrow lakes. Because of that I want to deal with certain aspects of that proposal. I shall deal with it at some length because it is of great concern to many constituents whom I have the honour to represent.

The government of British Columbia has an agreement with the Kaiser Aluminum and Chemical Corporation that provides for the building of a dam near Castlegar on the lower Arrow lakes that would return in power or taxes approximately $1 million per annum to the province of British Columbia; that is, if the company builds the dam. If, however, under the new plan the government financed the plan it would receive, according to the information I have obtained, an additional $600,000 per annum.

At this point I must say that in view of the constitutional position, in view of the federal government expenditures in the Columbia river basin totalling something over $3 million since 1945, and in view of the great interest of the international joint commission and the government of Canada in recent years in proposed developments on the Columbia river, it was most unfortunate that the government of British Columbia saw fit to conclude an agreement with the Kaiser Aluminum and Chemical Corporation without consultation with the international joint commission and the government of Canada. I presume, Mr. Speaker, we must consider it an oversight due to lack of knowledge of the constitutional position, inexperience and possibly ignorance of the usual courtesies prevailing between governments or between governments and international commissions.

Extremely strong objections were voiced to the proposal to build this Kaiser dam on the lower Arrow lakes. Many of my constituents, supporters of all parties in this house, have informed me of their objections on varying grounds. Some are rather local in their grounds for objection, and some deal with the wider aspects of the problem according to the knowledge they have of the situation in general. Before I came to the house this session I was asked by certain business elements in Nakusp to call a public meeting there. We called a meeting of representatives from all the points between Nakusp and the lower Arrow lakes, and a number of representatives from Slocan lake also attended. They discussed this question thoroughly. At that meeting over 300 people unanimously expressed their opposition to the building of the Kaiser dam.

Then on my way to this house I was asked by certain representative Revelstoke business people and others to address a meeting in Revelstoke. There were about 200 people at the meeting from Revelstoke and points between Revelstoke and Arrowhead. I was asked to address the meeting because I had been a resident of the district for many years, and I know what I am talking about when it comes to a question of flood levels and things of that sort and what certain elevations mean. That meeting unanimously voiced objection to proceeding with the Kaiser dam and urged the early construction of the Mica creek dam.

Then I have had resolutions and expressions of opinion from trade unions, farmers' institutes representing small communities, fruit growers' organizations, community organizations in Kootenay West and prominent industrialists all in opposition to the suggestion that this dam be built on the lower Arrow lakes. I have talked to several civil engineers in my district, and I have not discussed this question with a single engineer who favours the proposal at this time. In addition, the Vancouver *Province* and the Vancouver *Sun*, large dailies in British Columbia, have carried a succession of excellent editorials concerning this proposal.

There are those who are for this proposal, Mr. Speaker, and there are those who are against it. In a democracy I think it is all to the good that both sides of any question be thoroughly aired. I think in British Columbia this subject has been fairly generally aired to date. I may say that to my knowledge not a single organization of any type in Kootenay West has endorsed the proposal to build the Kaiser dam at the lower end of the Arrow lakes.

Our reasons for objecting to the building of this dam are several. First, we believe that the government of British Columbia should be dealing with United States public power authorities rather than a private corporation. In support of that argument I wish to quote from the minutes of the committee of congress which sat in 1933 and 1934 to consider the development of the United States portion of the Columbia river basin. We find the following in the committee's report:

> We believe in private enterprise, in the expectancy of rewards for honest endeavour, labour,

initiative and daring, in the things that have made America great. But some things are too big for private enterprise, and the Columbia river is one of these.

We believe that power developments on the Columbia river in Canada should be undertaken by public authorities whether they be provincial or federal or a combination of both.

Our second reason for objecting to the building of this dam is that to grant the Kaiser corporation water rights on the Arrow lakes would upset the pattern of public power development of the Columbia in Canada and affect plans for the building of dams at Mica creek and between Castlegar and the United States border. The Minister of Northern Affairs and National Resources (Mr. Lesage) dealt with some of these questions in an excellent letter which he sent to various organizations in British Columbia who were making inquiries concerning the government's attitude with respect to the proposal to build the Kaiser dam. I have a copy of the letter here, and the minister goes to considerable length to explain the government's position. I want to congratulate the minister on the very detailed and clear-cut explanation he gave of the government's objections to the building of the Kaiser dam. A number of people who received this letter are very grateful to have this detailed and exact information. I am not going to read the whole letter, but I do want to refer to some of the reasons given therein for objecting to the building of the dam. In brief the letter says that the principal objections are as follows:

1. It would be unwise to proceed with this project at this time. The power potentialities of the Columbia river basin are still under investigation.

He gave very good reasons for that objection.

2. According to what is presently known, the project does not provide for the maximum use of the storage potential at the Arrow lakes and of the power potential on the Columbia.

I want to refer to that reason because I presume the minister is giving the reason by way of criticism of the present proposal, but I am quite sure he knows as well as I do that we can obtain plenty of storage on the Columbia river behind Mica creek without going ahead at this time with any storage on the Arrow lakes at all.

3. The carrying out of the Arrow lakes project at this stage might delay for quite a number of years the realization of other alternative projects more important to British Columbia and Canada.

[Mr. Herridge.]

We agree with that reason. This is his fourth reason:

4. The terms of the agreement proposed by the B.C. government will have an unfavourable effect on the Canadian aluminum industry, particularly in British Columbia.

This is his fifth reason:

5. The terms of the agreement are bad for B.C. and Canada.

He then gives a long explanation of that and concludes with some interesting figures. We agree with the minister, Mr. Speaker, that to grant these water rights to a private company, the Kaiser Aluminum and Chemical Corporation, might have a serious effect on plans for the building of dams between Castlegar and the international boundary and at Mica creek.

Another reason for objecting to the proposal is that in the power-hungry United States there is a tremendous and immediate need for increased power production. There is tremendous pressure there for increased power production, and that need can only be met in full on the Columbia by storage in Canada. Canada is in the best bargaining position, as I see it, in Canadian history with respect to developments of this nature, and in our opinion the building of the Kaiser dam on the Arrow lakes would lessen our bargaining power for the building of a much greater development at Mica creek on the upper Columbia.

In support of that argument I want to quote briefly from the Trail *Daily Times* of December 28, 1954, which makes a brief reference to a speech by Governor Len Jordan of Idaho who is now chairman of the United States section of the international joint commission. The heading of the article is, 'Governor Pushes Plans for 'Columbia' Power". The dispatch is from Boise, Idaho, and this is what it has to say:

Governor Len Jordan was honoured at a dinner Monday night, a week before he leaves for Washington to become a key figure in water resource development negotiations between the United States and Canada. Jordan told reporters earlier he hoped to be able to speed up development of the Columbia river basin as chairman of the United States section of the international joint commission.

The Canadians are in the best bargaining position, he said, because they don't need power from the Columbia right away, while the Pacific northwest does. Their research as to power potential, he said, is at about the point the United States was in the late thirties when the army engineers compiled their comprehensive report on the basin.

We maintain, Mr. Speaker, that the granting of the right to build a dam on the lower Arrow lakes to provide power to certain United States companies would to some extent lessen the pressure and demand for power in the United States and to that extent

would weaken our bargaining position. We also believe that it is completely unnecessary at this time to consider building a dam on the Arrow lakes and cause any flooding there. The storage of 3 million feet of water on the Arrow lakes would certainly cause some flooding. Hon. R. E. Sommers, in a radio address over station CBU, Vancouver, on Monday, November 29, 1954, when dealing with the Kaiser dam proposal, had this to say:

> Such a dam will not cause flooding of the Arrow lakes area as the water level will be held where it will not in any way damage existing communities, farm areas, or transportation facilities.

In view of statements made to the press by officials of the Kaiser corporation, who indicate that they intend to raise the Arrow lakes to the 1948 flood level; in view of the research that has been carried on by their employees with respect to the assessed values of properties that would be affected by flooding to the 1948 level; in view of the statements of their engineers when visiting various properties of constituents of mine that the company intended to flood to the 1948 level, it is hard to reconcile these statements, and as a result many of my constituents residing on the Arrow lakes are very concerned about this question.

If the level of the lakes is raised to the 1948 flood level it will mean, without any question, the flooding of many homesites. It will mean the flooding of considerable agricultural land between Renata and Nakusp. It will mean the flooding of industrial sites at Nakusp and Arrowhead and consequent loss of employment and investment in plants, homes, cleared land, etc. It will mean the covering of all beaches on the Arrow lakes for the greater part of the year. It will mean the destruction of all federal government investment in wharves and docking facilities.

My constituents, Mr. Speaker, are very concerned as to what will be the effect of raising the water in the Arrow lakes above normal. If it were raised to the 1948 flood level it would destroy a great amount of property, and would cause many people to lose their employment because of the closing down of several mills and things of that sort. As our people view it, they do not consider that the extent of this flooding and the ruin it could cause is justified by the return of a million dollars a year in power or taxes to the government of British Columbia.

As a matter of fact, Mr. Speaker, the small mills and pole yards around the village of Nakusp on the Arrow lakes last year shipped out over a million dollars' worth of timber products. If the flooding were to the 1948 flood level it would mean that those industries would have to go out of operation as industrial sites on the foreshore became unusable. That is another reason I am glad to know this bill is going before a committee. In that way we can get some exact information as to the water levels that are proposed as a result of the building of this dam.

On the one hand we have the minister saying there will be no flooding on the Arrow lakes. On the other hand we have the company officials making statements to the press and going to the Revelstoke assessment office to check up on the value of the property included in the 1948 flood level for compensation purposes. At the same time we have officials of the Kaiser corporation saying they are quite willing to compensate for any farm homes, industrial sites or other properties flooded. I cannot reconcile these statements. I believe careful examination of certain witnesses is required to get at the facts.

We are opposed to the building of this dam because this group believe that the power potential of Canadian rivers should be first developed to increase industrial production in Canada and provide employment for Canadians. In that connection I should like to quote from the Vancouver *Province* of November 24, 1954. According to that newspaper the Hon. P. A. Gaglardi, when addressing the automotive retailers' association of British Columbia at the Hotel Vancouver, had this to say, and this statement is in quotation marks:

> "Industry on this continent is looking for power," he told the annual convention of the automotive retailers' association of B.C. at the Hotel Vancouver.
>
> "So far, only 13·4 per cent of our hydroelectric potential has been developed. We must develop more, and the only profitable way to do this is to sell or export it to the United States," he said.
>
> Defending the provincial government's stand on the Arrow lakes to supply the Kaiser interests in the United States with power, Mr. Gaglardi said, "this move must be done before atomic energy becomes a reality."

We cannot agree with the minister of public works of British Columbia. While we may make some co-operative arrangement about the storage of water, we believe that power produced in Canada should be used to expand Canadian industry.

What is the experience in looking forward to power developments in the future in Canada and in the United States? I have read a good deal on this subject, and I find that when the Grand Coulee dam was built some people in the United States considered there would be a surplus of power for many years. In fact there was considerable criticism because of the surplus power available at that time. What is the situation today? There is a severe power famine in the very area served by the Grand Coulee dam.

International Rivers

Then again, on April 10, 1942, an order in council was passed by this government that actually provided for the building of the Brilliant dam in the Kootenays for a public expenditure of approximately $10 million. At that time it was considered that the net return to the company on any investment in such additional plant would be negligible, and furthermore that after the war such a plant would probably be of little value to the company. Now, Mr. Speaker, to illustrate how careful we must be in looking to the future and, as the minister said, in thinking of future generations because things happen much more quickly now than they did a few years ago, I may say that in contrast to the opinion expressed by Consolidated Mining and Smelting at that time, the demand for power has increased to such an extent that the company has recently spent over $35 million in the building of another power plant at Waneta.

When addressing the Canadian-United States committee of the chambers of commerce at a meeting in Quebec last October, General McNaughton had this to say in part:

> But, please, do not think that this means there is going to be power in Canada which will be surplus and to spare. This is certainly not the case, for the most carefully made predictions show that only a comparatively short time remains until we may expect that all our economically available hydro power will be in use.

In view of the experience of the past in the United States and Canada I prefer to listen to the opinion of General McNaughton rather than the short-term view expressed by the minister of public works of British Columbia. I repeat that we believe in power development in Canada to provide permanent employment for Canadians. For the reasons I have outlined, we are opposed to the building of the Kaiser dam on the Arrow lakes. We intend to support this bill because we believe its effect will be to promote the sound development of the power and water storage potentials of international rivers, such as the Columbia, in Canada.

Before concluding, I must draw to the government's attention the great support for the early commencement of the Mica dam north of Revelstoke, which investigations have proven to be a practical project. The average annual flow of the Columbia is about 50 million acre feet, rising to 90 million acre feet on certain occasions. This dam would permit the storage of between 10 and 15 million acre feet at Mica creek. The building of this dam would provide great power resources for British Columbia, employment for Canadians, ample storage for United States plants, and without flooding established agriculture and industry.

[Mr. Herridge.]

We are informed that United States interests have already offered to spend up to $250 million to construct a dam at Mica creek, which the people of British Columbia would own, and generators could be installed to meet the requirements of industrial development in British Columbia as necessary. This offer alone indicates our strong bargaining position, and should be a spur to co-operation between the federal and provincial governments in developing the vast water resources of the Columbia river in Canada. I believe this vast development demands the establishment of a Columbia basin authority in Canada as the result of co-operation between the federal and provincial governments.

I am convinced, Mr. Speaker, from my knowledge of the great developments ahead on the Columbia and their importance to the future of British Columbia and Canada, that co-operation must be the watchword if we are to achieve success. There must be co-operation in this development between the federal and provincial governments, as well as co-operation with the public power authorities in the United States.

Nature has blessed us with a natural resource that can be developed to the mutual advantage of all concerned, Canadians and Americans. I plead again for the co-operation so necessary to bring the developments on this river to fruition.

Mr. G. W. McLeod (Okanagan-Revelstoke): Mr. Speaker, I have listened with a good deal of interest to the speakers who have taken part in the debate thus far. Several comments made by the Minister of Trade and Commerce are praiseworthy and should be taken note of at this time. One of the first that struck my ear was that we cannot afford to waste water. Since it has been established by the various speakers that this is more or less developing into a debate on the Kaiser dam, I think I am justified in taking a similar stand for at least part of my talk. When he says we cannot afford to waste water I would remind the Minister of Trade and Commerce that the Kaiser dam is proposed for the conservation and not for the wasting of water.

Another comment he made was that we should resolve any problem we have in a friendly and co-operative manner. I sincerely hope that in all the ramifications of this great bill and the many projects which are going to be entered into, that spirit will be remembered in deed as well as in word.

Another thing that struck me, Mr. Speaker, was that the rights of the individual are very important. I do not think there is anyone in this house who recognizes that any more than I do, but I should like to go a little

bit further. I maintain that the rights of the provincial governments should be equally respected. Right through the whole talk of the minister all I could sense was a centralization here in Ottawa of the authority that is going to control and give permission for any development that might arise in the minds of people anywhere in Canada in respect of waters that cross international boundaries. The hon. member for Vancouver-Quadra (Mr. Green) emphasized the fact that in British Columbia we have more of these problems facing us than in any other province, and therefore we are more vitally concerned. But I do not like the idea of this Canadian government setting itself up as an all-wise authority to say either yes or no to any project that might take form in the minds of people in any part of Canada, and that refers to other things besides the development of water power.

I also noted that at the present time we can transmit power a distance of up to 500 miles. I did not think we could transmit it that far. I am not at the moment disputing the minister in that regard; we will admit that is so. In what way is our power to go? There is only one way it can go for use, and that is to the south. It is admitted that British Columbia has the greatest source of power in Canada. In fact we are told that there are power sites surveyed in the province of British Columbia whose potential has been ascertained that could supply more power than is used by the entire Dominion of Canada today. Those surveyed sites, Mr. Speaker, are only a part of the great power potential. Let that suffice for what the Minister of Trade and Commerce had to say.

I was very glad to hear the hon. member for Vancouver-Quadra cover the geography of this great question so well. He mentioned rivers that I did not know existed in the province of British Columbia. He covered the ground so well that he saved me the necessity of referring to these things. But he did emphasize a point that I want to emphasize also, namely that this is new and important legislation entering into a field of development that is going to concern our province more than all the rest of Canada combined, and therefore we demand that it be given serious consideration in the debate on second reading as well as when it goes to the committee on external affairs. I am glad to know that the bill is being sent to that committee.

The hon. member for Vancouver-Quadra also mentioned the invasion of provincial rights. I shall have a little more to say about that. I kept a sheet for the remarks of the hon. member for Kootenay West, but in his 40 minutes I found very little to write on it. The only thing I am going to do, for fear this house might think that everyone in this part of British Columbia is opposing the Kaiser dam, is to put on the record a short excerpt from a letter which I received dated January 20. This letter came from a reliable resident of a town not far from his, the little town of Burton. This is part of the letter:

> Without opposition in the house I am afraid my friend Mr. Herridge could make it appear that the residents in general are all against this dam being built. This is not the case. Of course there is some opposition but that stems mainly from the C.C.F. party. A big meeting held in Nakusp on December 20 passed a resolution opposing the dam being built, but that was a C.C.F. meeting and, I understand, there was quite a lot of opposition at that meeting to the proposals of the C.C.F., so you can see it might be reported to the house as 100 per cent against the dam unless others like yourself know differently.

I believe it was so reported. I think the words used were "the decision was unanimous"; therefore, Mr. Speaker, I place this on the record.

Mr. Herridge: On a question of privilege, Mr. Speaker, the meeting the hon. member refers to was called at the request of several businessmen, and the chairman of the meeting was a gentleman who is not a member of the C.C.F.

Mr. McLeod: I should like you to know, Mr. Speaker, that I am reading only from a letter which I have accepted. I might also quote another paragraph:

> As I stated in my letter,—

Mr. Speaker: May I interrupt the hon. member and remind him of our rule that when a member quotes from a letter he must divulge the source. I do not think he has done that.

Mr. McLeod: Well, I vouch for the authenticity—that is a pretty big word.

Mr. Speaker: If the hon. member vouches for the authenticity he must not quote directly from the document. He must paraphrase it and make its words his own.

Mr. McLeod: Then I shall give you the name, because I have permission.

Mr. Speaker: If he wants to quote directly from the document he must divulge the source.

Mr. McLeod: I shall, Mr. Speaker, because I have the permission of the writer to divulge the name. It is Mr. H. W. Stones of Burton. He is a general merchant and a notary public. He writes:

> I am not a Social Crediter, but just try and prevent me from voting for them at the next election as this British Columbia government has

done more for our part of the country since they have been in office than the other governments have done in the last 30 years.

I am not going to enter into any argument as to the mechanics of the dam because when I get talking about electricity, kilowatts and all the rest of it I do not know where I am. However, I am going to refer to the political aspect of the bill. My great opposition to the bill is that I believe it is nothing more nor less than a political instrument used by the government of Canada to thwart the province of British Columbia in a development which the people have a right to expect. I should like to read from a statement in the Vancouver *Province* under headlines so large that I think even the hon. member for Kootenay East (Mr. Byrne) can see them. The headline is as follows:

Sinclair opens fight for Ottawa against B.C. over Kaiser Dam Plan

I am not going to read the whole article, but I would like to quote one or two excerpts. One thing that struck me is that the reporter said the Minister of Fisheries (Mr. Sinclair) took off his gloves. I was wondering why in the world he would do that, but after reading the article I came to the conclusion that he took them off so he would not get them soiled by the mud-slinging he was going to engage in. The minister was speaking at a meeting in North Vancouver, and in referring to the dam the article states:

The proposal, he said: "is bad for Canada, bad for B.C. and Mr. Howe (Right Hon. C. D. Howe) has notified B.C. that he is going to amend the act which controls the export of energy".

We need to go only a little further to see the political implication. I do hate smeary and dirty politics, and it is seldom that I stoop so low as to even quote things like these. He referred to the premier of British Columbia in these words: "in that wide toothpasty smile of his". That particular phrase strikes me because perhaps I am a little bit jealous of our premier. I just wish I had teeth that were so worthy of display as his. Then a little later the article states:

Premier Bennett is premier of B.C. only because of a last-minute decision to get on the Social Credit bandwagon.

I have before me the last issue of *Maclean's* magazine and I should like to refer to an article there. This particular article pays Mr. Bennett credit, though I have read others which have opposed him. I quote:

This remarkable change in Bennett's political fortunes is no accident. It's the logical outcome of a lifetime of study, labour and ambition: an object lesson in how to become a political strong man.

Mr. Speaker: I do not object to the words in the magazine article in question dealing with the premier of British Columbia, but in quoting that article the hon. member is not quoting something relevant to the principle of this bill.

Mr. Low: It is just as relevant as Mr. Jimmy Sinclair's remarks.

Mr. Speaker: I did not hear the remark of the hon. member for Peace River. Would he be kind enough to repeat it, because to my knowledge the Minister of Fisheries has not taken part in this debate.

Mr. Low: He has not inside the house, but he has tried to take the debate outside the house. What was said by the hon. member is just as relevant to the principle of this bill as was the statement outside the house by the minister.

Mr. Speaker: I must tell the hon. member for Peace River that when a minister or an hon. member makes a speech outside the house he is not under my jurisdiction. It just so happens, and perhaps it is unfortunate, that the hon. member who now has the floor is under my jurisdiction. It is with that that I am concerned at the moment, and I know the hon. member will want to co-operate.

Mr. McLeod: I appreciate your ruling.

An hon. Member: Ten o'clock.

Mr. McLeod: It is not quite ten o'clock; I have a couple of minutes yet. There is just one other item which does not deal with Mr. Bennett or any of the officials of the British Columbia government. The Minister of Fisheries said that the real head-on conflict is just coming to a boil. I have never heard of any conflict in British Columbia between the people of that province and the government of Canada. I am going to ask the government of Canada to get around the conference table and talk over this question. When they issue an invitation to the government at Victoria, as I hope they will, I am sure our premier will be quite willing to come here to discuss the matter with the government of Canada.

On motion of Mr. McLeod the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. MacInnis: What will be the business on Monday?

Mr. Harris: Whatever any private member has in mind.

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

HOUSE OF COMMONS

Monday, February 7, 1955

The house met at 2.30 p.m.

CANADIAN NATIONAL RAILWAYS

REPORTED REPLACEMENT OF MANAGEMENT PERSONNEL

Hon. George C. Marler (Minister of Transport): Mr. Speaker, on Friday last the hon. member for Winnipeg North Centre (Mr. Knowles) asked a question regarding an item in the Winnipeg *Free Press* attributing to Mr. F. H. Keefe, general manager of the Canadian National western region, certain remarks about reductions in the railway budget. Later on that same day the hon. member took the opportunity afforded by the debate on the address to comment on the statements attributed to Mr. Keefe.

I shall not reply to the comments of the hon. member but in fairness to Mr. Keefe and the management I think I should draw the attention of hon. members to the dispatch appearing in Saturday's papers in which Mr. Keefe flatly denies that at any time in his remarks did he mention Mr. Gordon or the management at Montreal. In his statement to the press, as reported by the Montreal *Gazette* of February 5, Mr. Keefe said he had intended to indicate that recent layoffs had been the result of falling traffic and that if business continued to decline other economies might be necessary. The *Gazette* report goes on to say that Mr. Keefe stated he had added in a jocular way, the occasion being a social banquet, some reference to his own job being at stake unless expenses were kept down. No statement was made by the president of the railway such as attributed to him in the Winnipeg *Free Press* report.

It will be of interest, I think, if I remind the house that in the dispatch containing Mr. Keefe's denial there was also a statement by Mr. J. R. McMillan, vice president of the railway in Winnipeg, that while avenues of economy are constantly being studied the present outlook is for traffic to continue at its present volume, and I particularly mention his opinion as reported in the same dispatch that no further staff layoffs are anticipated.

AIR TRANSPORT

REPORTED SALE OF QUEEN CHARLOTTE AIRLINES—RECOVERY OF SUBSIDY

On the orders of the day:

Mr. John B. Hamilton (York West): Mr. Speaker, I should like to direct a question to the Minister of Transport. Is the minister aware that Queen Charlotte Airlines of Vancouver has received an offer or offers of purchase substantially in excess of the asset value of the company, and is it the government's intention to attempt to recover part or all of the quarter of a million dollar subsidy paid to the said company in the last two years if the sale transaction is consummated?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I shall have to take the hon. member's question as a notice and reply to it tomorrow.

PRIVATE BILLS

HURON AND ERIE MORTGAGE CORPORATION

Mr. J. W. Monteith (for Mr. Mitchell, London) moved the second reading of Bill No. 9, respecting the Huron and Erie Mortgage Corporation.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

SECOND READINGS—SENATE BILLS

Mr. John Hunter (Parkdale) moved that the following bills be read the second time:

Bill No. 10, for the relief of Daisy Ruth Kirk Stanistreet.—Mr. Hunter.

Bill No. 11, for the relief of Irene Christina Edwards Mackay.—Mr. Hunter.

Bill No. 12, for the relief of Barbara Elinor Richardson Jones.—Mr. Hunter.

Bill No. 13, for the relief of Wira Pushkar Tereshtshenko.—Mr. Hunter.

Bill No. 14, for the relief of Stella (Stephania) Burnatowska Holowaty. — Mr. Hunter.

Bill No. 15, for the relief of Harry Evert Finlayson.—Mr. Hunter.

Bill No. 16, for the relief of George James Nangreaves.—Mr. Hunter.

Private Bills—Divorce

Bill No. 17, for the relief of Carmela Lanza Morash.—Mr. Hunter.

Bill No. 18, for the relief of Meyer Francis Doyle.—Mr. Hunter.

Bill No. 19, for the relief of Julia Mary Collen Dwyer Rose.—Mr. Hunter.

Bill No. 20, for the relief of Bela Koschitza Brawerman.—Mr. Hunter.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I am well aware that since this is Monday any discussion of these divorce bills would cut down the time to be devoted to private members' resolutions. Therefore I propose to say nothing in detail about these particular bills but I do want to express the hope that some other method may be found for dealing with these divorce bills than having them come before this house.

Since these bills concern only two provinces may I offer the suggestion that hon. members from those provinces—

Mr. Speaker: May I interrupt the hon. member to remind him that we are at the beginning of a new session. During previous sessions we have had debates as to how these divorce bills shall be dealt with on second reading. It being the beginning of a new session perhaps one may be permitted to adopt a new resolution. I have resolved that no matter how much latitude I may be inclined to give I shall not allow any discussion except that which relates to the principle of the bill. I do not think hon. members will find that they are referring to the principle of these bills when they stand up and offer suggestions as to how they should be dealt with. That is not the manner in which this can be brought about.

If the hon. member wishes to submit by way of a bill some other method by which these divorce bills can be dealt with, he will have ample opportunity to incorporate whatever suggestions he may have to offer. But I do not think it is in order on the second reading of these bills to make such suggestions, and I would like the hon. member's co-operation in respect to this point.

Mr. Knight: Mr. Speaker, I quite agree with what you have said. I am quite aware also that I have the right to go into the details of these bills. I could go into them thoroughly and keep the house for at least the next 40 minutes. But that is something that I do not want to do. Also I could have asked that each bill be called and dealt with separately, but that is something which I think would be completely wrong. I may have only 30 seconds left now, but the suggestion I was going to make would have taken but 30 seconds. However, that is your ruling and I bow to it.

[Mr. Hunter.]

Mr. Speaker: The hon. member may do whatever is in order no matter how long it may take, but he cannot do anything that is not in order.

Mr. Knight: It would not be in order to suggest that the members of parliament who are from those provinces might meet and consider this matter and call in consultation interested people and devise some method agreeable to those provinces?

Mr. Speaker: I am sorry; the hon. member has asked a question. My reply is that it is not in order. Shall these bills be read a second time now?

Some hon. Members: Agreed.

Motion agreed to and bills read the second time.

QUESTIONS

RADIOACTIVITY TESTS

Mr. Hamilton (Notre Dame de Grace):

1. What are the physical measurements of radioactivity?
2. How many times has radioactivity been detected, at what strength, and for what periods, in (a) Ottawa; (b) Montreal?
3. Has any consideration been given to requesting the United States government to hold their proposed February atomic bomb tests in some location more distant than Nevada?

Mr. Blanchette:

1. Radioactivity is measured in roentgens.

2. Radioactivity can be detected in the atmosphere at all times but following atomic and thermonuclear explosions the radioactive content is increased. Since March 1951 the defence research board has been measuring the radioactive content of the atmosphere in the Ottawa area and, while an increase in radioactivity has been noted following explosions, the increase has never been sufficient to constitute any hazard to human, animal or plant life. The defence research board has not made any examination of the radioactive content of the atmosphere in the Montreal area.

3. For the reasons given to the house on another occasion, *Hansard* of April 5, 1954, at page 3645, no danger of contamination is anticipated from the proposed February atomic bomb tests in Nevada. Hence, there is no need to ask the government of the United States to hold these tests at a more distant location.

MEAT AND POULTRY IMPORTS

Mr. Charlton:

1. How many pounds of (a) beef; (b) pork; (c) lamb or mutton; (d) poultry, have been imported into Canada each year from and including 1950?
2. From what countries, and of what dollar value in each case?

Mr. Dickey: 1 and 2.

Imports into Canada of *(a)* beef; *(b)* pork; *(c)* lamb or mutton; *(d)* poultry, by countries, during the calendar years 1950, 1951, 1952, 1953 and during the period January 1, to November 30, 1954 (latest available).

	1950		1951		1952		1953		Jan. 1, to Nov. 30, 1954	
	lb.	Value	lb.	Value	lb.	Value	lb.	Value	lb.	Value
		$		$		$		$		$
(a) Beef and veal, fresh—										
United Kingdom	15,088	4,125	14,544	5,176	5,318	2,110	10,979	4,117	9,587	3,528
Australia	17,130	1,667	129,959	14,983	—	—	19,667	5,186	2,251	672
New Zealand	4,738	1,922	92,462	6,016	—	—	—	—	1,889,727	299,002
Ireland	—	—	1,428,003	592,768	230,561	108,412	3,818	2,282	332,698	91,826
Alaska	1,430	959	389	498	20	18	416	225	291	250
United States	97,228	73,862	942,671	582,912	497,464	272,180	1,440,059	478,983	799,627	357,500
Totals	135,614	82,535	2,608,028	1,202,353	733,363	382,720	1,474,939	490,793	3,034,181	752,778
(b) Pork, fresh—										
United Kingdom	—	—	—	—	—	—	26,610	14,369	850	213
Australia	—	—	6,945	1,528	9,655	2,934	53,965	15,703	120,264	36,244
Ireland	—	—	—	—	—	—	109,164	57,542	1,191,048	555,962
United States	1,665,744	243,318	15,880,641	5,086,278	1,843,230	425,296	—	—	—	—
Totals	1,665,744	243,318	15,887,586	5,087,806	1,852,885	428,230	189,739	87,614	1,312,162	592,419
(c) Lamb or mutton, fresh—										
United Kingdom	3,985	1,028	7,660	2,616	2,270	908	5,900	2,118	5,356	2,142
Australia	428,431	128,668	1,839,748	308,655	980,281	125,125	989,737	163,730	2,720,628	467,445
New Zealand	11,328	1,649	1,545,839	226,487	1,422,431	168,522	1,952,752	356,273	3,903,019	937,790
Ireland	—	—	54,080	24,773	169,524	72,519	—	—	—	—
United States	42,249	12,537	51,877	20,427	86,843	32,021	1,796,700	601,025	578,899	213,770
Totals	485,993	143,882	3,499,204	582,958	2,661,349	399,095	4,745,089	1,123,146	7,207,902	1,621,147
(d) 1. Chickens and fowl—										
United Kingdom	*	*	*	*	—	—	—	—	580	232
Ireland	*	*	*	*	—	—	190,871	45,236	206,319	49,313
United States	*	*	*	*	312,467	107,675	3,130,320	1,040,623	2,393,351	649,869
Totals	—	—	—	—	312,467	107,675	3,321,191	1,085,859	2,600,250	699,414
(d) 2. Turkeys—										
United States	*	*	*	*	400,866	182,236	5,413,034	2,625,292	3,719,749	1,526,778

* Not available prior to 1952.

Questions

TWO CENT POSTAGE RATE

Mr. Knowles:

1. What steps has the Post Office Department taken to inform the public as to what items can be mailed in Canada in unsealed envelopes for two cents postage?
2. What are the items that can be mailed for two cents postage?
3. Is consideration being given to make this information more widely known? If so, in what ways?

Mr. Kirk (Shelburne-Yarmouth-Clare):

1. By means of: (a) The postal guide and monthly supplements thereto; (b) The booklet of postal information (available free of charge); (c) Display of notices in post office lobbies; (d) Paid advertising in newspapers, magazines, radio and other similar media; (e) Personal addresses by public relations officers to schools, service clubs, church groups and business organizations.

2. (a) Circulars, catalogues, books, greeting cards and other matter which is entirely printed; (b) Partly printed and partly written items not having the character of personal correspondence such as federal and provincial government statistical returns, notices of meeting cards, notice of polling cards, price lists.

3. The department takes advantage of every reasonable opportunity to disseminate postal information and will continue to do so.

NATIONAL DEBT

Mr. Hodgson:

What was the national debt at the end of the fiscal years 1935, 1940, 1945, 1950, 1953?

Mr. Benidickson: See page 119 of the public accounts of Canada for the fiscal year ended March 31, 1954.

POST OFFICE DEPARTMENT—SPECIAL STAMPS

Mr. Knowles:

1. How many special stamps have been issued by the Post Office Department since January 1, 1952?
2. What are the particulars of each such special stamp?

Mr. Kirk (Shelburne-Yarmouth-Clare):

Subject	Colour	Denomination Cents	Date of Issue
18th International Red Cross conference ...	blue and red	4	26th July, 1952
Sir John J. C. Abbott	rose	3	3rd November, 1952
Alexander Mackenzie	orange	4	3rd November, 1952
Wildlife conservation			
Polar bear	blue	2	1st April, 1953
Moose	brown	3	1st April, 1953
Bighorn sheep	gray	4	1st April, 1953
Coronation, H. M. Queen Elizabeth II	purple	4	1st June, 1953
Wildlife conservation			
Walrus	gray	4	1st April, 1954
Beaver	blue	5	1st April, 1954
Sir John S. D. Thompson	purple	4	1st November, 1954
Sir Mackenzie Bowell	blue	5	1st November, 1954

PROPORTIONS OF TAXES RECEIVED AND SPENT

Mr. Balcom:

1. What proportion of each dollar received by the government comes from (a) individual income taxes; (b) corporation income taxes; (c) excise taxes; (d) customs duties and other taxes; (e) loans, etc?
2. What proportion of each dollar, received by the government, is spent for (a) national defence; (b) national welfare and social services; (c) veterans pensions?

Mr. Benidickson:

1. (x) (a) 27 cents* in 1953-54; (b) 27 cents*; (c) 20 cents*; (d) 17 cents.

*Excluding old age security tax receipts.

(x) These taxes total 91 cents. The remaining 9 cents is received from non-tax revenues and special receipts and credits. (See page 21 of the public accounts of Canada for the fiscal year ended March 31, 1954).

[Mr. Dickey.]

2. (a) 42 cents in 1953-54; (b) 12 cents *; (c) 3 cents.

*Excluding old age security pension payments.

DEBTS OWING BY FOREIGN COUNTRIES

Mr. Thatcher:

1. Are regular payments being made by China, Czechoslovakia, Rumania and Greece on their outstanding debt to Canada?
2. If not, what reason is given in each case?
3. Have any of the above-mentioned nations indicated intention to keep up regular payments in the future?

Mr. Benidickson:

1. China, Greece and Rumania are not making any payments on their debt to Canada. Czechoslovakia has resumed payments on its indebtedness to Canada.

2. The government of China has indicated that it is unable to meet its obligation to Canada because of a shortage of foreign exchange and heavy military expenditure.

Rumania has not paid interest on its indebtedness since 1941 and no reasons have been officially communicated to the Canadian government.

Greece has not paid interest on or principal of its indebtedness since 1931, stating that it is unable to make such payments.

3. Czechoslovakia—Yes. China, Rumania and Greece—No.

REVENUES RECEIVED FROM PROVINCES

Mr. Hahn:

What was the sum total of all revenues received from each province by the federal government for each of the years 1950, 1951, 1952, 1953 and 1954?

Mr. Benidickson: The federal government does not receive revenues from provinces outside of small amounts for rentals, sales of publications, etc.

GRAIN HANDLING

Mr. Johnson (Kindersley):

1. How many box cars suitable for grain had the (a) Canadian National Railways; (b) Canadian Pacific Railway, in each of the years 1952, 1953, 1954?

2. How many carloads of grain were handled (a) by the Canadian National Railways; (b) by the Canadian Pacific Railway, in each of the years 1952, 1953, 1954?

3. How many cars of grain were loaded in Saskatchewan (a) by the Canadian National Railways; (b) by the Canadian Pacific Railway, in each of the years 1952, 1953, 1954?

Mr. Dickey:

1. Information not available in the dominion bureau of statistics.

2. Carloads of grain loaded in Canada—

	1952	1953	1954
Canadian National Railways	264,421	249,916	171,968
Canadian Pacific Railway	268,100	249,181	169,285

3. Information not available in the dominion bureau of statistics. The tonnage of grain loaded in Saskatchewan by each of the specified railways is shown below.

Tons of grain loaded in Saskatchewan—

	1952	1953	1954
Canadian National Railways..	5,558,662	6,121,903	3,704,260*
Canadian Pacific Railway ..	5,776,845	6,240,001	3,646,999*

*11 months ending November 1954.

Questions

GAGETOWN CAMP—PULPWOOD SALES

Mr. Thomas:

1. Is the Department of National Defence selling pulpwood obtained from the clearing of certain areas in the Gagetown camp?

2. If so, to whom is it being sold?

3. What is the price obtained for this pulpwood?

Mr. Blanchette:

1. No. Contracts for clearing operations at Gagetown grant to contractors the right of the timber removed. Bids by contractors for these contracts, which were publicly advertised, were based on estimates of the value of such timber.

2. Not applicable.

3. Not applicable.

CATONS ISLAND

Mr. Thomas:

1. Has the Department of National Defence purchased an island in the Saint John river, known as Catons island?

2. If so, from whom was it purchased?

3. What was the price received?

Mr. Blanchette:

1. No.

2. Not applicable.

3. Not applicable.

HAROLD C. BANKS

Mrs. Fairclough:

1. On what date did Harold C. Banks make application for landing to the Department of Citizenship and Immigration?

2. Did he complete form 1000?

3. Was question 17 included on the form he completed?

4. Was he asked to file again on a corrected form?

5. If so, how long was this incorrect form in use?

6. How many applications were filed on the incorrect form?

7. How many of these applications were subsequently required to file a corrected application which included this question?

Mr. Pickersgill:

1. May 8, 1952.

2. Yes.

3. Yes.

4. No.

5. There was no incorrect form.

6. Not applicable.

7. Not applicable.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SHAUGHNESSY HOSPITAL, VANCOUVER—FISH PURCHASES

Mr. Green:

1. From what firms has fish been purchased for Shaughnessy hospital in Vancouver, during the past two years?

2. In each case, what other firms, if any, tendered for the sale of such fish?
3. What were the amounts of the respective tenders including those that were accepted?

HIGHWAY SAFETY CONFERENCE

Mr. Knowles:

1. Has the federal government, or any minister thereof, given consideration to inviting the appropriate representatives of the various provinces to meet for the purpose of discussing highway safety programs in order that efforts might be made to reduce the number of deaths and injuries on our highways?
2. If so, what is the result of such consideration?
3. Has a tentative date for such a meeting been proposed?

N.H.A. LOANS NEAR AIRPORTS

Mr. Knight:

1. Has the government recently issued regulations prohibiting the making of loans under N.H.A. for building in the vicinity of airports?
2. If so, what was the date of the announcement of such regulations?
3. What are the distances from the airports to which such prohibition applies?
4. Has the government announced any regulations tending to protect life in the areas prohibited where residential buildings have already been erected?
5. Near what airports are there such residential buildings, other than government buildings, within the prescribed area?
6. Has the government considered prohibiting future erection of any and all residential buildings within the prescribed areas?
7. If so, what has been the result of such consideration?

MONT JOLI AND RIMOUSKI AIRPORTS

Mr. Balcer:

1. What amount has been spent by the Department of National Defence at the Mont Joli airport since 1940?
2. What amount has been spent at the Mont Joli airport by the Department of Transport since its transfer from the Department of National Defence?
3. What are the existing facilities at the Mont Joli airport for commercial transportation such as, runways, lighting, hangars, radio direction, etc.?
4. What amount was spent during the last five years by the Department of Transport at the Rimouski municipal airport?
5. What is the distance by air between the towns of Rimouski and Mont Joli?

FUEL PURCHASES, ATLANTIC PROVINCES

Mr. Purdy:

What was the cost of fuel purchased by the federal government for use in each of the four Atlantic provinces, during the fiscal year ending 31st March, 1954, under the following headings: Nova Scotia coal, New Brunswick coal, other Canadian coal, United States coal, other imported coal, fuel oil?

FUR IMPORTS FROM RUSSIA

Mr. Pearkes:

1. What quantity of fur, raw and processed, has been imported into Canada from the U.S.S.R. since October, 1953?
2. What is the total value of such furs?
3. Of what varieties are the furs thus imported?

[Mr. Green.]

4. What tariff is imposed upon these furs?
5. What Canadian firms purchased pelts from Russia?
6. Have any muskrat skins been imported from any European country? If so, in what quantities and from what countries?

MOTIONS FOR PAPERS

TRAIN WRECK, AVOLA, B.C.

Mr. Hahn:

For a copy of all correspondence, letters, telegrams, and other documents exchanged between the Department of Transport, the board of railway commissioners and/or others, pertaining to Mr. A. G. Webster, conductor, relative to a train wreck on Canadian National Railways track at Avola, British Columbia, on May 28, 1942.

He said: I had an early understanding that this motion would stand for the time being.

Mr. Speaker: Motion stands.

QUEEN ELIZABETH HOTEL, MONTREAL

Mr. Diefenbaker:

For a copy of all letters and communications since the first day of September, 1954, that have passed between the Department of Transport and the Canadian National Railways respecting the lease of the Queen Elizabeth hotel in the city of Montreal to the Hilton Hotels Corporation.

Mr. Marler: This motion asks for the production of correspondence between the Department of Transport and the Canadian National Railways respecting the so-called lease of the Queen Elizabeth hotel.

May I say at once that arrangements concerning the hotel are not a lease but an agreement for the management of the hotel, and with deference I submit that as the management of the hotel is clearly a matter of internal operation of the railway this motion should not be accepted by the house.

As hon. members know, parliament has consistently maintained the view that the management of the railway should not be required to make public information relating to the affairs of the system that their competitor is not obligated to produce.

In the circumstances I would hope the hon. member will agree to withdraw his motion.

Mr. Speaker: The motion is withdrawn?

Mr. Diefenbaker: No.

Mr. Speaker: The hon. member says no, and naturally he expects me to collect the voices. I do not want to offer any objection to that today, but I want hon. members to follow my reasoning and think it over so that they will decide themselves perhaps what they should do in the future with respect to these motions. It is simply this: the house is entitled to get only what it is allowed to get. Bourinot claims that the

house is not entitled to ask for confidential documents, documents of a private nature or for any documents which the minister may decide that it is not in the public interest to produce. When a minister rises in his place and says, "I cannot produce these", and an hon. member says "I would like the opinion of the house to be decided by a vote", it means one of two things; either the member who is now asking that I collect the voices for the purpose of provoking a division does not believe the minister when he says that the documents asked for are not in the public interest to produce, and therefore he is not accepting the minister's word, which in all cases must be accepted in this house. Whenever a member declares a thing to be such and such he declares it on his honour, and therefore his word must be accepted. If, on the other hand, the house should vote upon the motion in an affirmative way, it would mean that although a minister of the crown has declared that it is not in the public interest to produce certain documents, the house would override that and would force the production of confidential documents or documents which it is not in the public interest to produce, and thus the house would insist upon having documents which it is not entitled to obtain.

I would like hon. members to think that over because it seems to me that in most cases, as far as one can look back in *Hansard* since confederation, that was the decision arrived at. Of course, there was a time when these notices of motions for production of papers were debatable and long debates took place upon them. But all leaders of parties, in or out of power, have always agreed that they should not insist upon production of papers which are declared not to be in the interest of the house to get. See Bourinot, fourth edition, pages 249-254; Todd's Parliamentary Government in England, revised by Spencer Walpole, volume II, pages 157-160. See also debates, March 17, 1921, pages 1003-4, volume II, 1921.

Today, as I say, I will just leave these remarks for the consideration of hon. members, and perhaps later on I shall hear comments of hon. members on this reasoning. Does the hon. member for Prince Albert wish to say something?

Mr. Diefenbaker: Mr. Speaker, in view of the fact that Your Honour has seen fit to give a summary of the past procedure in giving an indication that any such appeal at this time would indeed be almost in the nature of an appeal from your own view, I am not going to press it at this time.

Mr. Speaker: I tell the hon. member from Prince Albert that I sincerely appreciate the attitude that he is taking on this particular matter. As I said, I do not want to impose a ruling today, but I should like hon. members to think over carefully what I have said because I do not see how one can get out of it. To me the situation is simply this. You can put on the order paper a notice of motion for the production of papers. If you were to ask for documents that it is not in the public interest to produce, the clerk of orders and notices would tell the hon. member who would like to put such notice of motion on the order paper: "You cannot put it on the order paper; I cannot accept it". You cannot ask for the production of confidential, private or personal documents or those documents that it is not in the public interest to produce. If you ask for documents and the minister says it is not in the public interest to produce those documents, if you do not accept his word it is tantamount to saying that the minister is not telling the truth. If he is telling the truth, there is only one thing to do and that is to have the motion dropped. For today the motion is to be dropped.

Mr. Fulton: May I make a suggestion, Mr. Speaker? I know that I am not entitled to question Your Honour but I make the suggestion that some opportunity be provided for further discussion on the point at another date this session. I take the liberty of suggesting that, as Your Honour has pointed out, in the old days these motions were debatable. It would then be open to the minister to satisfy or to attempt to satisfy the house as to the justification for his position that it was not in the public interest to produce the document. In the same way it would be open to the party seeking its production to try to satisfy the minister and the house that it was in the public interest. Your Honour has pointed out that that sort of debate is no longer permitted. I think it is for that reason that the practice of having a vote on such motions has arisen; because some members of the house may genuinely and sincerely disagree with the suggestion that the matter is against the public interest. Before we appear to accept the suggestion that such motion should not be the subject of division, I would again repeat my suggestion that there be further opportunity to discuss the matter.

Mr. Speaker: May I suggest that nowadays the motions are still debatable, but not when introduced in this way. If the hon. member looks at standing order 51 he will see this:

> . . . but if on any such motion a debate be desired, it will be transferred by the Clerk to the order of "notices of motions".

COMPETITIVE VALUE OF GAS IN INDUSTRY

Mr. Diefenbaker:

For a copy of the report made in 1954 by Dr. Hume and Mr. Arch Crozier containing the results of an investigation made regarding the competitive value of gas used in industry.

He said: With the leave of the house may I ask that this motion be withdrawn?

Mr. Speaker: Is it agreed that the motion be withdrawn?

Some hon. Members: Agreed.

FIELD OFFICERS, P.F.R.A.-P.F.A.A.

Mr. Diefenbaker:

For a return showing the names of all personnel in the P.F.R.A. and P.F.A.A. who are officials or field officers, coupled with the salaries and expenses paid to each of them during the year 1954.

VETERANS AFFAIRS

INCREASE IN WAR VETERANS ALLOWANCE AND PERMISSIBLE INCOME

On the order:

Mr. MacDougall—The following proposed resolution:—That, in the opinion of this house, the government should give consideration to the advisability of increasing the war veterans allowance and permissive income.

Mr. MacDougall: Stand.

Mr. Speaker: I do not think I will allow the hon. member to let his notice of motion stand. I am sorry to appear to be so destructive today. Hon. members will notice that this motion deals with the war veterans allowance and permissive income. On the order paper there are two other notices of motions on the same subject, one in the name of the hon. member for New Westminster (Mr. Hahn) and the other in the name of the hon. member for Hastings-Frontenac (Mr. White). Hon. members will also have noticed that on the order paper, under government orders, there is in the name of the Minister of Veterans Affairs (Mr. Lapointe) a resolution which reads as follows:

That it is expedient to amend the War Veterans Allowance Act to increase the allowances and the permissible income; to further extend the benefits of the act . . .

And so on. If we were to allow debate on this motion, it would anticipate a debate on a government order which has priority because the motion which stands in the name of the Minister of Veterans Affairs is one which is the first stage of a money bill. If hon. members will look at Campion, An Introduction to Procedure of House of Commons, page 144, under the heading "Rules relating to Substantive Motions", paragraph (5), they will find this:

Finally, certain matters by their very nature are

inadmissible in debate, whether upon motion or otherwise. Such are matters anticipating an order of the day, and matters which have already been decided during the current session.

Then if the hon. member will look at page 152, under the heading "Anticipation in Debate", he will see this:

In applying the anticipation rule preference is given to the discussion which leads to the most effective result, and this has established a descending scale of values for discussions—bills, motions, amendments, etc. Thus a bill or other order of the day must not be anticipated by . . . discussion of a motion, amendment, or subject raised on another motion, such as that for the adjournment of the house.

By virtue of this rule the notices of motions standing in the names of the three hon. gentlemen I have mentioned must be dropped from the order paper because they are not admissible in debate.

This notice of motion, No. 7, is dropped.

HUMAN RIGHTS

DECLARATION TO ENSURE FUNDAMENTAL FREEDOMS—REFERENCE TO SUPREME COURT AS TO JURISDICTION

Mr. J. G. Diefenbaker (Prince Albert) moved:

That, in the opinion of this house, immediate consideration should be given to the advisability of introducing a bill or declaration of rights to assure amongst other rights:

1. Freedom of religion, freedom of speech, freedom of the press and of radio;
2. That habeas corpus shall not be abrogated or suspended except by parliament;
3. That no one shall be deprived of liberty or property without due process of law, and in no case by order in council;
4. That no tribunal or commission shall have the power to compel the giving of evidence by any one who is denied counsel or other constitutional safeguards.

And that as a preliminary step the government should consider the advisability of submitting for the opinion of the Supreme Court of Canada the question as to the degree to which fundamental freedoms of religion, speech and of the press and the preservation of the constitutional rights of the individual are matters of federal or provincial jurisdiction.

Mr. Speaker: Of course, with respect to this motion which has to do with human rights, hon. members will also have noticed that there are on the order paper two other motions on the same subject, one in the name of the hon. member for Rosetown-Biggar (Mr. Coldwell) and the other one in the name of the hon. member for Spadina (Mr. Croll). I want to tell these hon. gentlemen that there will be only one debate on human rights and since this motion is now being taken up, we will be dealing with this one.

Mr. Coldwell: If there is to be only one debate on human rights, Mr. Speaker, may

I have the privilege, with the unanimous consent of the house, of withdrawing my motion?

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Croll: In the light of your suggestion, Mr. Speaker, I also wish to withdraw my motion.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Diefenbaker: Mr. Speaker, a motion similar to the one now before the house has been up for consideration on other occasions and represents in epitome many of the same characteristics as the resolutions introduced by the hon. member for Spadina (Mr. Croll) and the hon. member for Rosetown-Biggar (Mr. Coldwell). On this occasion I intend immediately to place before the house a draft bill of rights—one that was drafted in the other place by a committee headed by the distinguished Senator Roebuck, and whose membership consisted entirely of Liberal members in the Senate—with the necessary changes made therein to meet certain terms contained in the resolution which I have introduced. I hope that on this occasion an opportunity will be given to have a vote, for it is strange that on the other occasions when this matter has been before the house there has invariably been a motion to adjourn the debate before any opportunity was given for the house to vote on the resolution. On the 24th of March, 1952, the present Minister of Finance (Mr. Harris) moved, at the conclusion of one or two speeches on the subject, that the debate on the resolution be adjourned, a vote was taken, and adjournment was upheld by 86 to 28. On December 7, 1953, when the house was considering a resolution by the hon. member for Winnipeg North (Mr. Stewart) which had to do with the international declaration of human freedoms, again it was the present Minister of Finance who, after an amendment was placed before the house by the hon. member for Rosetown-Biggar (Mr. Coldwell), moved that the discussion be adjourned, and it was adjourned.

I hope that a similar course will not be followed which simply has the effect of killing discussion and a vote, for the resolution then goes to the foot of the list and there is no possibility during the session of it coming up for further hearing. I am going to place before the house in summary a draft Canadian bill of rights or declaration of freedoms, which is as follows:

Human Rights

Article 1

Everyone has the right to life, liberty and the security of person.

Article 2

No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.

Article 3

Everyone has the right to recognition throughout Canada as a person before the law.

Article 4

All are equal before the law and are entitled without any discrimination to equal protection of the law.

Article 5

Everyone has the right to an effective remedy by the competent national tribunals for acts violating the fundamental rights granted him by the constitution or by law.

Article 6

(1) No person shall be subjected to arbitrary arrest, detention or exile.

(2) Any person who is arrested or detained shall be promptly informed of the reasons for the arrest or detention and be entitled to a fair hearing within a reasonable time or to release.

(3) No one shall be denied the right to reasonable bail without just cause.

(4) No tribunal, royal commission, board or state official shall have the right to compel anyone to give evidence who is denied counsel or other constitutional safeguards.

Article 7

Every person who is deprived of his liberty by arrest or detention shall have an effective remedy in the nature of habeas corpus by which the lawfulness of his detention shall be decided speedily by a court and his release ordered if the detention is not lawful. Habeas corpus shall not be abridged, suspended or abrogated except by parliament.

Article 8

Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal, in the determination of his rights and obligations and of any criminal charge against him.

Article 9

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

Article 10

Any person whose rights or freedoms as herein set forth have been violated may apply for relief on notice of motion to the supreme or superior court of the province in which the violation occurred.

Finally—

Mr. Garson: Might I ask my hon. friend a question? These are the material—

Mr. Diefenbaker: I have one more.

Article 11

The above articles shall not be deemed to abridge or exclude any rights or freedoms to which any person is otherwise entitled.

Mr. Garson: I should like to ask my hon. friend if these are not the articles approved by the Senate committee which my hon. friend used in the last speech he made upon the subject in the last parliament. They are the same articles?

Mr. Diefenbaker: They are identical with the provisions which I placed before the house in 1952 and, I would say to my hon. friend, represent the result of the lengthy consideration by the committee headed by Senator Roebuck in the other place, subject to one or two amendments that I have added thereto in order to cover the situation as I see it.

Some contend that there is no reason for a discussion of fundamental freedoms in this house. Let me point out that Sir Wilfrid Laurier on the 19th of March, 1918, said this:

> Eternal vigilance is the price of liberty, and the universal testimony of history is that unless there is eternal vigilance on the part of a strong and resolute opposition, encroachments upon freedom and abuses in office will creep in, just as surely and just as certainly as weeds and tares will invade and choke the crops of the husbandman if he is not constantly on the watch. . . . Nothing is more certain than that one illegality will lead to another; that, as a logical consequence, wrong will be followed by wrong.

To indicate the value of the discussions which have taken place from time to time during the last eight or nine years, I point out that since 1952, when these matters were last discussed in this house, changes have been brought about in large measure due to the creation of public opinion respecting matters about which criticism was made at that time. One of the statutes introduced by the Minister of Labour (Mr. Gregg) whereby discrimination on federal contracts is made punishable was a matter that had been discussed on several occasions in the house. Second, the fiction that the king can do no wrong, which throughout the years denied the subject, except in qualified circumstances, the right of action against the crown, in consequence of public opinion created through previous debates and through publicity, has been abolished within the last few years.

Another matter that was complained about in 1952 was that there was no right of appeal to the courts against the arbitrary denial of appeal against orders made by judges for contempt of court. Objection to the absence of the right of appeal was raised on more than one occasion when the subject of human freedoms was before the house, and public opinion was created. Newspapers had their own experiences when they found that there was no right of appeal, and ultimately the house passed an amendment which allowed the right of appeal. Finally, one other matter to which strong objection was taken because of its challenge to human freedoms and fundamental rights was the emergency powers act which a year ago now was allowed to lapse.

People say to me, what interest is there in the country in this subject? More than

800,000 Canadians have signed petitions on two occasions asking that Canada have the same protection for its rights and fundamental freedoms that 30 other countries with a federal system have, including India. The Canadian Daily Newspapers Association, a body with a membership of 86 of the 89 English and French language daily newspapers in Canada, representing 99·4 per cent of the circulation of all Canadian dailies, an organization that has no political connection, has taken a formal position in favour of a Canadian bill of rights. They pointed out the fact that while Canadians consider fundamental freedoms as part of their heritage, fundamental freedoms can be interfered with in the absence of a bill of rights. I quote from the brief of the Canadian Daily Newspapers Association:

> . . . the daily newspapers of Canada urge that consideration be given to a constitutional guarantee of fundamental human rights, it is because they are convinced these rights are insecure. They know that threats have been made to freedom of speech, freedom of the press and other freedoms in the past. They feel sure that threats will be made in the future.

Then, again, from the same brief:

> The Canadian Daily Newspapers Association submits that . . . constitutional safeguards . . . not only prove that freedom of speech and freedom of the press lack adequate safeguards in Canada, but place the representatives of this country in a weak position, open to destructive attack, in implementing the obligations of this country as a member of the United Nations in respect to human rights and fundamental freedoms.
>
> The board of directors of the Canadian Daily Newspapers Association, at a special general meeting in October, 1945 and in October, 1947, unanimously resolved that a statutory guarantee of essential freedoms might be covered in the following terms.

The amendments suggested by the daily newspapers association are as follows:

> No act of the parliament of Canada nor of the legislature of any province shall abridge the freedom of speech, of the press or of assembly or of worship or the right to petition the parliament of Canada or the legislature of any province for the redress of grievances.

I believe that an amendment in that form might invade the powers of provincial legislatures under the British North America Act. Therefore I would not approve of such a course being followed until, as I intend to suggest later on, a submission is made to the Supreme Court of Canada.

In this brief of the Canadian Daily Newspapers Association the following appeared:

> In Canada we have been coasting insecurely upon British precedents and sometimes violating them, and in the light of Canada's membership in the United Nations and its responsibility as a member, the Canadian Daily Newspapers Association urges that the parliamentary committee on human rights and fundamental freedoms give favourable consideration to a constitutional amendment guaranteeing these fundamental freedoms.

I point out, sir, that that brief was advanced by the newspaper association before the recent case of Blair Fraser in which the freedom of the press comes into issue. I shall not refer to the action in general as it is before the courts. Mr. Fraser was called to give evidence on an examination for discovery in an action commenced against him and *Maclean's* magazine for libel. He was asked who furnished him with the information upon which he based the allegations he made in an article in *Maclean's* magazine. He refused to give answers as to the identity of the individuals from whom he had secured the information. An application was made to a supreme court judge in British Columbia, in which province the action was commenced, to compel him to answer these questions.

The judge before whom the motion came directed him to answer these questions, and an appeal was taken to the court of appeal of British Columbia. The appeal was dismissed, one judge dissenting. A subsequent appeal was made to the Supreme Court of Canada but the supreme court refused leave to appeal, following generally the principle of that court in refusing to hear appeals dealing with questions of procedure in the courts.

The interesting situation in connection with the order made in the Blair Fraser case was this. Unless the law is changed, the result must be a drying up of the sources of information upon which the press in Canada must depend. In Great Britain the course followed by the courts on examination for discovery is very much different from the course followed as a result of continuing precedent in this country. Mr. Justice Freedman of the court of queen's bench in Manitoba, a great advocate of freedom before going to the bench, in an article in the *Canadian Bar Review* states:

> There is in England a rule of practice which is applied in the discretion of the court for the benefit of newspapers sued for libel, under which the defendant, except in special circumstances not very clearly defined, is not obliged to disclose the source of his information.

Then His Lordship went on to say this:

> It is of interest to note, however, that recently a Canadian judge refused to apply this English rule of practice to the different system of discovery prevailing here . . .

In this case the doctrine of the sanctity of the freedom of the press is undermined to a degree which has not been experienced in recent years in our country.

The situation in the United States is dealt with in Chaffee's book, "Government and Mass Communications", in which he says:

> The trend of the best legal judgment is away from all occupational privileges, even that of attorney and client, which is much the oldest.

As you know, sir, the only relationship that is entirely confidential is that between the lawyer and his client. He says:

> The reporter's claim to silence is less persuasive than that of the doctor, and the physician and patient privilege. . . . It would be absurd to safeguard the press confidences and leave the secrets of the confessional without legal protection.

The author states that in the United States, however, what happens when a press man is asked to reveal the identity of those from whom he received the information is that he relies on the fifth amendment, contending that, his answers would implicate him and that is the end so far as further questioning is concerned.

How serious this precedent is may be gained from the fact that the newspaper trade publication, *Editor and Publisher*, in an editorial, describes what happened in the Blair Fraser case as an "unbelievably dangerous precedent". It says this:

> This means that newspaper men cannot publish information received from confidential sources without fear of libel action they cannot defend if they are determined to protect their informants.

I believe, sir, that there is another example of the abridgement of fundamental freedom, the jurisdiction over which I am not at the moment discussing which, if allowed to remain unchanged, constitutes a dangerous encroachment upon the rights of the press to secure information. I believe that it is a question that deserves to be considered seriously, and that we in our country might well give attention to following the British precedent, whereby the sanctity and the independence of the press is maintained, except within very narrow limits. British experiences through the years have shown the necessity for the preservation of the independence of the press.

Is there indeed a substantial body of opinion within the country that believes in the necessity of consideration being given to a bill of rights, to one advocated not only by myself but also by the hon. member for Rosetown-Biggar (Mr. Coldwell) and the hon. member for Spadina (Mr. Croll)? I am not going into detail in that connection, except to say that the comprehensiveness of the appeal for action, enunciated again in the Blair Fraser case to which I have just referred, is indicated by the support given by the following church organizations who have joined together in a demand for a bill of rights. These are the Church of England in Canada, the Baptist Federation of Canada, the Churches of Christ, the Evangelical United Brethren, the Presbyterian Church, the Reformed Episcopal Church, the Ukrainian Orthodox Church, the United Church of Canada, the Salvation Army, the Society of

Friends, the affiliated members of the Canadian Council of Churches, the national council of the Y.M.C.A., the national council of the Y.W.C.A. and the Student Christian Movement of Canada.

On June 6, 1950, they set forth their views in their joint brief at page 341 of the proceedings of the Senate committee on human rights and fundamental freedoms:

> We are prepared to support every honest endeavour to secure a Canadian bill of rights which will adequately safeguard the personal, social, economic and political rights of every citizen. We seek after and pray for a society in which freedom is the freedom of men who acknowledge responsibility to justice and public order, and where those who hold political authority or economic power are responsible for its exercise to God and to the people whose welfare is affected by it. We do not feel that it is the duty of our council to propose the practical measures which might or should be taken to establish a bill of rights. Nor do we suggest that the wording of this brief is the final language which should be used to describe these human rights and fundamental freedoms in a legal document. We are convinced, however, that it is our duty and responsibility to declare that man, because of his worth in the sight of God, has rights which should be respected by all and safeguarded by law.

The Church of England in Canada presented its brief on May 9, 1950, and at page 247 of the proceedings of the committee it stated its belief that government in recent years has of necessity intruded into personal and family affairs in a way not visualized even a generation ago. It concluded that certain rights and freedoms before the law which may thereby be jeopardized will be more certainly recognized and respected if set forth in a statute or under the constitution.

I am not going to read the entire list of those who supported a bill of rights whose brief was presented by the late Bernard K. Sandwell. It is to be found at page 209 of the proceedings of the Senate committee on May 3, 1950. Here are the names of a few of those who asked for a bill of rights for Canada: Such clergymen as the Rev. W. A. Cameron of Toronto; Dr. John Coburn, Rabbi Feinberg, Canon Judd, Dr. Charles Russell. Among editors are included Oakley Dalgleish of the *Globe and Mail*, Grant Dexter of the Winnipeg *Free Press*, George Ferguson of the Montreal *Star*, Mrs. John Bird of Ottawa.

Educators are represented by Dr. Sidney Smith of the University of Toronto, Dr. Norman MacKenzie of the University of British Columbia, Dr. A. W. Trueman, now head of the national film board; Dr. E. J. Pratt, Professor Lower, Professor Scott, Dr. Malcolm Wallace and others; jurists by Samuel Freedman and L. Y. Cairns, in Alberta; businessmen by Joseph Harris of Winnipeg, F. G. Winspear of Edmonton and A. E. Grauer of Vancouver and others; labour leaders—several of them—including C. H. Millard; professional men by Sir Ernest MacMillan, Roger Ouimet, C. C. Papineau-Couture, Q.C., Dr. Penfield, Paul Lafontaine, Hugh MacLennan and others; and various members of parliament, including the hon. member for Vancouver South (Mr. Philpott).

I mention their names to indicate that there is a widespread demand in Canada for action in this regard. There are some who say that free peoples value freedom less than was done 50 years ago, and that the movement is toward restricting and curtailing free speech of those who are unorthodox. There are some who would make the human mind a replica of the Soviet parliament in which not a single negative idea is permitted. There are those who would deny trial and error, and free discussion. There are those who would deny the right to try ideas before the bar of public opinion.

I point out, in answer to those who might view freedom of speech as something dangerous to security and survival, that free speech is not licence. It denies censorship in advance. But anyone who speaks becomes subject to punishment when his words strike at the security of the state, or the rights of others.

Free speech is and always will be the essence of democracy. Free speech is simply free enterprise of the mind, which allows for the development of the full capacities of the individual, and with the state punishing wrongdoing when the use of free speech endangers the state or the equal rights of others.

The cold war and two world wars have taken a heavy toll of freedom. That is not alone a peculiarity of our country. In Great Britain one of the great Liberals, Lord Reading, has pressed for a bill of rights in that country, to meet the invasion and infringements of today. Lord Sankey and his distinguished committee dealt with this question at length and came to this conclusion:

> Under the stress of the new conditions, insecurity, abuses and tyrannies increase; and liberty, particularly liberty of thought and speech, decays. Phase by phase ill-adapted governments and controls are restricting that free play of the individual mind which is the preservative of human efficiency and happiness.

In yesterday's New York *Times* I read an article by that great tribune of liberty, Mr. Justice Learned Hand, who is recognized not only in the United States but throughout the world. He said this, in referring to the nonconformist:

> It has generally proved impossible to smother him and when it has, the society that succeeded has declined.

I have one quotation to make in support of the view I express. It is from a book which enjoys a market that no other book on human freedom has achieved in the last 25 years. I refer to "Freedom, Loyalty, Dissent" by H. S. Commager, who says:

> We do not protect freedom to indulge error. We protect freedom in order to discover truth. We do not maintain freedom in order to permit eccentricity to flourish; we maintain freedom in order that society may profit from criticism, even eccentric criticism. We do not encourage dissent for sentimental reasons; we encourage dissent because we cannot live without it.

There he is referring to the democracies.

> Ours is a system of freedom—freedom of inquiry, of investigation, of criticism and of creation.

Having said that, I come now to Canada and refer in particular to a book written by a Canadian political scientist, Professor Dawson. In his "The Government of Canada" he has set forth his views as to whether there is a need for a bill of rights. Referring to the traditional attitude taken in Great Britain, he states, at page 86:

> There is a need of a bill of rights. There is a growing conviction in Canada that this is not sufficient and that certain fundamental liberties and privileges should be singled out for special mention in the written constitution, so that they will not be at the mercy of any intolerant group in a legislature or a cabinet which may for a time happen to command a majority. That this is no imaginary problem is clearly illustrated by a number of infractions or threatened infractions of these rights which have occurred in very recent years.

After setting out what they were, he says this:

> None of these, moreover, occurred during the war, when certain of these rights might conceivably have had to be temporarily relinquished, although those conducting the spy cases pleaded as a justification an overriding concern for public safety.

Mr. Pouliot: Would the hon. member be kind enough to tell us what are the encroachments upon fundamental freedoms that he complains of in Canada?

Mr. Diefenbaker: I am glad that my hon. friend has mentioned that. I will give him the federal instances, particularly brought to the attention of the Roebuck committee by Mr. B. K. Sandwell. An order in council was passed, which the privy council said was perfectly legal, which if it had been enforced would have exiled without charge or trial about 10,000 Canadian citizens because of their race.

An order in council in the Eldorado case was passed which provided that the administrator of Eldorado might examine any person and that person was denied the right to have counsel or to exercise his constitutional right of non-incrimination unless protection was granted. Additional provision was made in the order in council that, however illegal or unlawful the administrator's acts might be, there was no right of action against him for his wrongdoing.

Another mentioned in the brief is the federal law which for a long time refused to allow a married man who was a citizen of Canada to bring his wife and children here because of their race.

An order in council was passed in 1945 whereby the freedom of movement of people of a certain race was restricted so they were not permitted to go to one province without a permit.

The right of habeas corpus has been denied by order in council in Canada, something that has never been done in that way in Great Britain at any time. When habeas corpus becomes the plaything of the governor in council, then indeed is human freedom in danger.

Several statutes passed by parliament have been amended by order in council without there being any provision in the statute for amendment. One of the recent ones was in connection with the annuities act where the interest was increased to a degree not provided by the law.

The next I might mention is the foreign exchange control act, now no longer law. Provision was made that if any person's rights were interfered with unfairly, unjustly, and illegally, that individual might assert his rights in court and secure an order of the court against the wrongdoer. Until the statute was passed the order in council denied anyone the right, however illegal an order of the administrator might be, of appeal to the courts. When the order in council was translated into statutory form by parliament provision was made for a right of action, but no matter how much a person may have lost in consequence of the illegality he was restricted to nominal damages of $1 with no costs being allowed. There was opportunity for recourse to the courts, but refusing to the person wronged the damages to which he was entitled.

There are several orders in council denying the right of appeal to the courts. In the department of immigration there are regulations that are contrary to law and which are unreviewable in court.

Then there is the regulation with respect to security as applied to the civil service to which the hon. member for Kamloops (Mr. Fulton) directed the attention of the house at the last session of parliament. McCarthyism is dead; at least we hope so. The monstrous burlesque in the United States whereby under the merciless glare

of publicity and T.V. persecution achieved its legislative nadir does not exist here, but as far as the civil service are concerned those who are suspect of being dangerous to the state by reason of the opinions that they hold have not the rights that exist in Great Britain, namely, the right to be placed before their accusers or at least to see the evidence upon which the suggestion as to their disloyalty is based.

The age-old excuse of those who remove human freedoms has always been the security of the state. I am not going to mention the provincial ones because we are dealing exclusively with the federal authority.

I come to another example. Under former tariff item 1201 provision is made whereby newspapers, magazines and books may be denied admittance to Canada by an officer of the Department of National Revenue. One of the outstanding speeches ever made in opposition to such a course was made in the other place by Hon. Rupert Davies on December 5, 1949, in which he set out the dangers of an individual acting so as to exclude these things from Canada with the decision not challengeable in the courts.

There are other examples, but the few I have given will indicate something of the trend. There is another manner in which the freedom of speech and of radio is challenged, and that is in connection with the Canadian Broadcasting Corporation, which is in the position of being not only a competitor but also a judge. It may be said that the power that is possessed by the C.B.C. is not used against private stations; but, sir, the experience of history has been that the possession of absolute power has great persuasiveness even when it is unused.

How can that be changed? By the simple expedient that we have endeavoured to have parliament accept over the years, namely the setting up of a regulatory power in the nature of the board of transport commissioners. I hope that at this session the government will see fit to bring that about; for, Mr. Speaker, you will have noticed that the Young Liberal Association of Canada has now come out in favour of that which we have been advocating throughout the years.

Mr. Deputy Speaker: Order. I am extremely sorry to interrupt the hon. member, but I am obliged to advise him that his time has expired.

Some hon. Members: Continue.

Mr. Diefenbaker: I thank hon. members very much. I come now to the question as to what should be done. It is often argued—the Minister of Justice (Mr. Garson) has made one or two speeches on the subject—that the passing of a bill of rights would not accomplish that which I have in mind. The Minister of Justice has said that the passing of a bill of rights would display a distrust of parliament; that the inclusion in our constitution or in a statute of our fundamental freedoms would derogate from parliament. We already have a bill of rights, in the British North America Act. As far as the Canadian constitution is concerned, it consists not only of that act but also of 129 statutes which we have inherited from Britain, full reference to which interested parties may find in Maurice Ollivier's work "Problems of Canadian Sovereignty".

We already have in the British North America Act protection for minorities, a bill of rights in which fundamental rights are guaranteed. Section 133 provides for the two official languages; section 93 provides for the school rights of this country, and section 20 for the annual session of parliament. Another section provides for the right to a general election every five years except when parliament by two-thirds majority determines otherwise.

These indeed are fundamental. They are rights guaranteed under the constitution, and they are an answer to those who say that we do not require other fundamental freedoms incorporated into our constitution. There is of course a provision that states that the statutes of Canada and of Quebec are to be printed both in English and in French. There is also the language provision in the legislature of Quebec, in the House of Commons and in the federal courts. All of these things are indeed of the essence of fundamental freedoms and individual rights.

On May 19, 1952, the Ottawa *Citizen* dealt with a speech made by the Minister of Justice to the University of Manitoba alumni in Ottawa. In that speech the hon. gentleman said:

> The essence of a bill of rights is a distrust of parliament. This rebuke is hardly fair. In these days when governments and bureaucracies have increasing responsibilities, the individual needs more than ever to know his rights and be able to defend them. Moreover all the numerous offences against civil liberty in recent years have mostly involved provincial legislation and matters of civil law. Though Canada is a federal state, surely Canadian citizenship confers common rights that can be explicitly declared.

I come now to the question of what can be done. Are civil liberties a matter of federal or provincial jurisdiction? I have but to ask the question of a lawyer to have the answer as to the tremendous difficulties inherent in arriving at a decision on the basis of the judgments that have been given. Professor Dawson says, in answer to those

who say that the British system does not contemplate statutory or constitutional control of parliament:

> The dominion parliament has not at all times proved to be sufficiently zealous in upholding the rights and liberties of the individual. The people of Great Britain have acquired a veneration for statutory and common law rights which is derived from many centuries of constant endeavour and stubborn resistance to abuses and which has made them extremely jealous of any threatened encroachments; but the tradition is not nearly so strong or so deep rooted and hence affords an inadequate safeguard against attack. While it is true that deficiencies in what has been called the constitutional conscience cannot be overcome by mere legal or constitutional enactment the latter can supply a certain valuable definitive support.

I mentioned the judgments of the courts. The first major judgment to which reference has been made on many occasions—

Mr. Garson: Will my hon. friend give me the citation for the last quotation he used?

Mr. Diefenbaker: I have not the page number. It is from Dawson. I will let my hon. friend have the page number; I have it in another document. The first leading case on the subject of jurisdiction is the Alberta press case. It is called the accurate news and information act. This is a judgment of the Supreme Court of Canada and can be found in the 1938 Supreme Court Reports. I am reading from page 142. It was a bill placed on the statute books of Alberta by the Social Credit government, which was called the press bill. The recital said:

> It is expedient and in the public interest that the newspapers published in the province should furnish to the people of the province statements made by the authority of the government of the province as to the true and exact objects of the policy of the government and as to the hindrances to or difficulties in achieving such objects to the end that the people may be informed with respect thereto.

It provided that any man who published a newspaper in the province would be required from time to time by the chairman of the Social Credit board to publish in the newspaper any statement furnished by the chairman and any release that might be given out, and set out that publication had in fact been made by the consent of the chairman.

That obviously was quite a drastic step in interfering with freedom of the press; for if newspapers were to publish only that which the chairman of a board of the government in power desired them to publish, to say the least freedom of the press would have ceased.

Mr. Blackmore: I wonder if the hon. gentleman is aware of the fact that he has just misrepresented the position taken by the government in Alberta?

Mr. Deputy Speaker: Order.

Mr. Blackmore: The hon. member has just misrepresented the position taken by the government in Alberta.

Mr. Deputy Speaker: Order.

Mr. Diefenbaker: Mr. Speaker, I intend to read from the judgment of Mr. Justice Cannon, whose son, incidentally, is a distinguished member of this house. My hon. friend certainly would not suggest that the judge would misstate the situation. I did not expect to get into a controversy over this matter or I would not have brought it up; but now that I have brought it up, I shall read what the judge said:

> It seems obvious that this kind of credit—

That was "Alberta credit."

> —cannot succeed unless everyone should be induced to believe in it and help it along. The word "credit" comes from the Latin: credere, to believe. It is, therefore, essential to control the sources of information of the people of Alberta, in order to keep them immune from any vacillation in their absolute faith in the plan of the government.

This is the judgment I am reading from. To continue:

> The Social Credit doctrine must become, for the people of Alberta, a sort of religious dogma of which a free and uncontrolled discussion is not permissible. The bill aims to control any statement relating to any policy or activity of the government of the province and declares this object to be a matter of public interest. The bill does not regulate the relations of the newspapers' owners with private individual members of the public, but deals exclusively with expression of opinion by the newspapers concerning government policies and activities. The pith and substance of the bill is to regulate the press of Alberta from the viewpoint of public policy by preventing the public from being misled or deceived as to any policy or activity of the Social Credit government and by reducing any opposition to silence or bring upon it ridicule and public contempt.
>
> I agree with the submission of the Attorney General for Canada that this bill deals with the regulation of the press of Alberta, . . .

And so on. That was the first case. Two of the judges, namely the former chief justice of Canada, Sir Lyman Duff, and Mr. Justice Cannon, decided that as our constitution carried with it the fact that we built upon British parliamentary procedure, such an interference constituted reduction of the freedom of the press, whereas the public interest would not permit any provincial government to infringe upon it. However, throughout the years cases have come up—

Mr. Blackmore: Mr. Speaker, I know the hon. gentleman does not want to be responsible for misrepresenting, and that he has no desire to do so. I do not wish to cast any reflection on the honourable judge who made that statement, but I will point out that, if he will read exactly what that press act said, the hon. member will find that there is much misrepresentation not only in the quotation

which he read but in his own remarks. There was no desire on the part of those who passed that bill to interfere with the press in any way but to see to it—

Some hon. Members: Oh, oh.

Mr. Blackmore: I was right there. I know. I have seen the acts.

Mr. Diefenbaker: Mr. Speaker—

Mr. Blackmore: Just a minute. If the hon. member will permit me to do so I should just like to say that the whole object was to see to it that the officials—

Mr. Deputy Speaker: Order. The hon. member will realize that he must not interrupt the hon. member who has the floor without his consent.

Mr. Blackmore: On a question of privilege, Mr. Speaker, may I say this. I know the hon. member simply does not want to misrepresent—

Mr. Deputy Speaker: I have listened carefully to the hon. member and I really do not think he has raised a proper question of privilege.

Mr. Diefenbaker: I am not going to enter into a controversy with my hon. friend.

Mr. Blackmore: You had better not.

Mr. Diefenbaker: I said I was not. I simply rely upon the judgment of the Supreme Court of Canada upholding a judge's findings.

I now come to the most recent judgment; that is in the Saumur case, in which the whole question of jurisdiction of the federal and provincial governments to deal with matters connected with freedom of religion was canvassed at great length. I am not going into the judgment except to refer to the *Queen's Quarterly*, winter 1955, in which there is an article by Mr. Bora Laskin, professor of law in Toronto. It deals with the whole subject of civil liberties, and it summarizes the Saumur case in these words:

> Three of the nine judges (Chief Justice Rinfret and Justices Kerwin and Taschereau) appeared to support this position.

That this was a matter of provincial authority.

> Six judges may be said to have adopted this view.

That civil liberties were outside of provincial competence.

> Of these, four (Justices Rand, Kellock, Estey and Locke) took the position that freedom of religious or other expression was outside of provincial power, and of the four, only two (Justices Estey and Locke) made categorical assertions in favour of exclusive federal power; the other two (Justices Rand and Kellock) left open the possibility that perhaps the dominion too could not, in certain circumstances, interfere with civil liberties.

> Two of the six judges (Justices Cartwright and Fauteux) took the position that such freedom (and more particularly freedom of the press) does not belong exclusively either to the dominion or to the provinces.
>
> This extraordinary division of opinion creates a result which is as curious as it is unsatisfactory. A majority of the court holds that the provinces have some legislative competence in the matter of freedom of religious expression. Two-thirds of the court hold that the provinces do not, at least in some circumstances, have such legislative competence. Only one-third of the court denies federal legislative competence on religious freedom. Yet less than a majority affirmed federal legislative competence on the matter.

I think that indicates exactly how difficult the problem is, Mr. Speaker. Knowing the reliance my friend the Minister of Justice places upon appeals to the privy council, having recently launched one, I express regret that not one judgment on this subject has been handed down by the privy council. However, that is something that is past.

That being so, what can be done? I submit first that a declaration of human freedom, as recommended by the Roebuck committee, could be made by parliament. That was the suggestion as to the first step, as found at page 306 of No. 10 of the proceedings of the Senate committee in 1950:

> Your committee therefore recommends that, as an interim measure, the Canadian parliament adopt a declaration of human rights to be strictly limited to its own legislative jurisdiction. Such a declaration would not invade the provincial legislative authority, but it would nevertheless cover a very wide field.

That is the first suggestion. Second, in order to ensure that the constitutional rights of the provinces will be maintained, I submit that a draft bill of rights such as I have placed before the house should be submitted to the supreme court. I asked the deputy minister of justice in 1947 whether that would not be an effectual way and, as found at page 81 of the proceedings of the committee of June 20, 1947, he agreed with the suggestion. Next, having determined as the result of this submission to the highest court of all what can be embodied in a bill of rights without invading provincial jurisdiction, we should enact such a bill of rights.

Third, we in Canada have fewer rights today, so far as the preservation of our fundamental freedoms is concerned, than we had when we abolished appeals to the privy council. As long as the privy council was our court of last resort, in actuality the foot of the throne, an individual in this country whose fundamental freedoms were interfered with directly or indirectly had a right of appeal to that court. Today there is no right to appeal to the Supreme Court of Canada when fundamental freedoms are interfered

with except through the medium of the criminal law or through the use of habeas corpus.

The joint committee presided over by Chief Justice J. L. Ilsley and Senator Gouin made a recommendation that the appeal provision be extended to the supreme court in order to cover the situation to which I make reference. At page 208 of the proceedings of the joint committee of June 23, 1948, it says:

> In view of the fact that decisions by the Supreme Court of Canada in individual cases would be far more satisfactory than upon a general reference in determining the powers of parliament and the legislatures, your committee gave some consideration to the question as to whether the jurisdiction of the Supreme Court of Canada should not be enlarged so that by leave of that court appeals would lie on questions of law in some instances in which there is now no appeal. Your committee is of opinion that the government should give consideration to such an enlargement and so recommends.

Changes were made subsequently, Mr. Speaker, but those changes did not cover that situation. Therefore we in Canada are in the position of having less protection through the courts than have the people of the United Kingdom.

Next, can there be any disagreement that today we should make a declaration preserving our courts as bulwarks from which liberty can be protected, so that henceforth no order in council or statute shall be passed by parliament denying an appeal to the courts by those who are injured in consequence of the application of the statute or order in council?

Finally—and this is not a matter of party consideration whatsoever—in every part of the house members are jealous of the preservation of our fundamental freedoms and view with alarm the continued erosion that is taking place in respect of the rights of the individual. That being so, can there be any serious objection to setting up a committee of the House of Commons and the Senate each year to act as a watchdog over civil rights? We have a permanent committee on the restaurant, but we have no committee on a subject that affects spiritual things, the liberties and the sacred rights of the individual.

Then, wherever discrimination exists in the administration of any of the departments of government, let that discrimination be removed. I am not going into detail at the moment in connection with the department of immigration, but I do point out that a distinguished committee including one member of the house, the parliamentary assistant to the Minister of Trade and Commerce (Mr. Dickey), made a report to the effect that in the administration of the regulations of the department of immigration the authority of the administrator in many cases superseded the authority of statute or the Immigration Act itself.

I believe that today our Indians should no longer be in the position of second-class citizens in the country in which they indeed were the first citizens. The rights of individuals are undermined, I submit, in the commissions that today are hearing evidence at various Indian reserves in this country; and I believe these commissions, which are causing division in the reserves to a degree that few in parliament understand, should cease to operate. Evidence is not the requirement before those commissions. Hearsay is too often accepted.

I conclude by summarizing what I have tried to place before the house. I have made certain recommendations that I believe deserve serious consideration. The resolution should be permitted to come to a vote in which members of the house, without regard to party, may freely express by their votes their viewpoint on this matter. It is as true today as it was more than 80 years ago, when Sir John A. Macdonald used these words—and I just came upon them yesterday—

> The great struggle of today, the struggle of the common man, the battle for rights against privileges, the long, slow striving for government of the people, by the people and for the people—these struggles are the same in Britain, in the United States and in Canada. In outward form there is difference and variety, but at the heart of each there is the old Anglo-Saxon impulse, the passion for freedom, the unquenched loyalty to truth and justice which, the world over and the ages through, marks the men of the Anglo-Saxon breed.

This, Mr. Speaker, is an age of fear. Today freedom everywhere in the world is being weighed in the scales. Many there are who believe in freedom as a theory but are cynical as to whether or not it can be preserved in the tumultuous present. This is an age of the all-powerful state created as the result of war or threatened war. This is an age when short-cuts of political expediency, while effective for the moment in maintaining security, ultimately constitute a mortal threat to freedom. It is the same in all freedom-loving countries. Mr. Justice Douglas of the United States has said:

> History shows that governments bent on a crusade or officials filled with ambitions have usually been inclined to take shortcuts.
>
> The cause being a noble one (for it always is), the people being filled with alarm (for they usually are), the government being motivated by worthy aims (as it always professes), the demand for quick and easy justice mounts . . . the ends they produce are cumulative, and if they continue unabated they can silently rewrite even the fundamental law of the nation.

I ask this question. Must free nations desert their faith in the fundamentals of

freedom? Can freedom-loving nations preserve freedom and defend themselves without destroying it? Do we have to emulate the enemy? I do not think so. I believe, sir, that our ultimate salvation and survival rests on the free world maintaining its unquenchable wells of freedom under the law. The history of the British peoples has been this. The great and abiding achievement in the heritage of common law has been made possible under the rule of law, in the climate of freedom. In that climate free men are able to give full play to their creative genius. Yet often today we are afraid of freedom.

Barbara Ward summarized our fear in these words:

> The crusaders for freedom and progress, for man's ever renewed struggle to build a just and holy society, appear to be on the defensive before those who seek to eliminate human freedom and restore the twin tyrannies of fate and government. The idealists retreat before the materialists . . . indeed the realists seem to have turned themselves into materialists and to fight their war of words in calculations and statistics while their adversaries sing of deserts blooming and spring returning to a resurrected humanity.

I believe, sir, a bill of rights is necessary in our country today to provide a framework for our thinking and to crystallize the spiritual values in the concept of freedom. The situation before 1914—since when there have been two world wars and a cold war—has been proven inadequate today. Our fundamental freedoms were not written into the British North America Act because it was believed at that time by philosophers that never again would those fundamental principles be in danger of being undermined.

We have learned today, with the experience of the years of war and a cold war, that freedom has to be paid for in every generation; that it cannot be purchased at bargain counters; it cannot be purchased on credit with payment to be made in the future. It can only be purchased by action. I ask that the government give consideration, not to the introduction of a bill of rights at this time but to ascertaining first the constitutionality of a bill of rights and then, having so determined, that they ensure the preservation of fundamental freedom in our country, under law and under the constitution.

Hon. Stuart S. Garson (Minister of Justice): In rising to take part in this debate, Mr. Speaker, I should like first of all to congratulate my hon. friend upon his eloquence, which we have learned to expect from him. Inasmuch as I cannot hope to emulate that eloquence I believe that, following out the non-partisan approach the hon. member has recommended, I cannot do better than attempt to examine the methods by which his eloquent suggestions might be carried into effect. For that reason I am glad today to discuss the terms in which, under our constitutional law, the objectives which he has stated would have to be realized.

When I came to Ottawa six years ago, sir, this resolution was on the order paper, where it has remained ever since. It was a matter of very great regret to me that on the only occasion in the interval upon which it was spoken to I happened to be at home ill. I am, therefore, doubly grateful for the privilege of discussing it on the present occasion.

I should like to make it clear, since this is a private member's resolution and not an item of government business, that I have not discussed it with my colleagues and I am not speaking for the government. Indeed, that will be apparent from my remarks as I continue. My effort, as I have stated, will have more to do with the matter of method and will be really an attempt to clarify the true nature of the problem, rather than to suggest immediately any policy which might be considered as a solution to it.

Now, I think we all agree, as the hon. member who has just spoken has said, that this resolution deals with an exceedingly difficult problem. New members have not been in this house very long before they become acquainted with the fact that the mere relationship between the central government and the provincial governments in our Canadian federal system of governments are themselves notoriously difficult. This difficulty is encountered on every occasion on which the powers of government are divided, in a federation, between the central government and the provincial or state governments.

In view of the fact that, as compared to the constitution of the United States, our constitution over the years has occasioned a relatively small amount of litigation, our constitutional law is a little known field. There is, therefore, only a comparatively small group of lawyers in Canada who are very familiar with the problems of constitutional law. I am glad to see the hon. member for Prince Albert (Mr. Diefenbaker) shaking his head in assent to this statement. It is into this complex and difficult field of federal-provincial relationships in the field of constitutional law that this, shall I say, emotional and political issue of a bill of rights has been projected. This issue has been created by the thoroughly praiseworthy and Christian aspirations for equal rights and fundamental freedoms for all citizens of Canada, regardless of race, colour, class or creed.

The introduction of this deceptively simple but rather emotional issue into such a complex field creates a problem which, as the hon. member for Prince Albert said, and I agree with him, is an extremely difficult one. It is the problem of superimposing a bill of rights, after the United States fashion, upon the federal constitution of Canada, whose main feature, inherited from the constitution of Great Britain, is the sovereignty of its legislative bodies. The feat of superimposing such a bill of rights upon such a constitution is, at least on its technical side, a very difficult feat indeed.

Now, this feat which is being urged upon us by the hon. member who has just taken his seat, and other members, is one which, so far as I know, has never yet been accomplished in any country in the world. I might point out just one of its difficulties. It is one thing to withhold from the provincial legislative bodies legislative powers when the constitution of a country is originally formed. It is quite a different thing to withdraw from the provinces 88 years later provincial legislative powers on the strength of which at least the original provinces could argue that they entered confederation. And that is involved in the issue now before the house.

One of the facts in this connection is that so few advocates of a bill of rights for Canada seem to recognize the difficulty of this task which they suggest we should carry out. We have this long and imposing list my hon. friend has read, consisting of businessmen, journalists, theologians, professors and others, who themselves would regard the views of constitutional lawyers about their specialties of theology, business, journalism and science with impatience, if not with disdain. Yet they show even greater impatience with the humble objections of constitutional lawyers to their idea in the field of constitutional law of superimposing a bill of rights upon the sovereignty of Canadian legislative bodies. They seem to have reached the conclusion that a bill of rights is so obviously a good thing that those who in the slightest degree question its efficacy, or even concern themselves as to the practical methods by which it may be brought about, are hardly on the side of the angels. But, sir, I suggest that the problem is by no means as simple as this virtuous attitude indicates. Indeed there are few fields of public interest and public debate in which it is more necessary for the debaters to know what they are talking about than this one. And because our constitution, as compared with that of the United States of America, for example, as I indicated a moment ago, has produced a very small amount of litigation, the number of those who really do know what they are talking about in this field is very limited indeed.

It is not surprising therefore that much of the discussion about bills of rights could be a good deal more illuminating than it is. For example we have one group in Canada who favour a bill of rights along the lines of that suggested by my hon. friend from Rosetown-Biggar (Mr. Coldwell). We have another group who would not favour the bill of rights he advocates, but who do favour a quite different bill of rights, along the lines of that suggested by that great liberal newspaper, the Winnipeg *Free Press*. And we next have a group urging resolutions and arguments such as those we have heard this afternoon from the hon. member for Prince Albert (Mr. Diefenbaker).

These resolutions and arguments purport to support either or perhaps both of these bills of rights to which I have just referred. But I suggest with great respect that they have only occasional and seemingly accidental relevancy to either. For these arguments actually deal with matters which, if they require reforms, can be reformed by simple statutory amendments to our law, without any bill of rights whatsoever.

Now, to take a case at random. My hon. friend referred to the Blair Fraser case. He must remember in the last session of parliament asking across the floor of the house what was to be done to correct what he regarded as an injustice which had arisen as a result of the judgments in that case. I notice that he nods his head indicating that it was he who asked the question. If he will recall, I pointed out to him that inasmuch as the jurisdiction over the subject matter of that case was vested in the British Columbia legislature, if it were thought to be desirable that the effect of those judgments should be changed, it could be done through the introduction and passage of a bill in that legislature.

Mr. Diefenbaker: Would the minister permit a question?

Mr. Garson: Yes.

Mr. Diefenbaker: Would he not consider that an act in a legislature that did in fact interfere with freedom of the press would be a matter of federal jurisdiction, in view of the decision in the Alberta press case?

Mr. Garson: Well, my hon. friend is really asking for a legal opinion, which I shall endeavour to give—although I am not accustomed to giving them off the cuff in this way.

He asks this: Is this result in British Columbia in any way affected by the Alberta press case? My answer to the question is No. What was involved in the British Columbia case was a question of libel law, a matter of property and civil rights. Notwithstanding the judgment of the supreme court in the press case to which he refers, in my view it would be quite possible, if thought desirable, for the British Columbia legislature to pass a bill changing the law to which my hon. friend objects, but this has nothing whatsoever to do with a bill of rights.

Our present constitution is not perfect; but there are few if any that are any better. And if we are going to improve it we must have a thorough and accurate understanding of both its virtues and its defects, in order to make sure that the bill of rights proposed would correct those defects without at the same time adversely affecting its virtues. We must be sure that it is technically possible for us to do what no one has yet done in the world, namely superimpose a bill of rights upon the constitution of a federal state, the main feature of which is the sovereignty of its legislative bodies.

And if we decide to attempt this task we should also try to do it in such a way that we can undo it and restore our present constitution, if a bill of rights in Canada is found in practice, as it has been found in every country in which it operates, to work less satisfactorily than the principle of the sovereignty of parliament works in the United Kingdom and in Canada.

In a word, Mr. Speaker, we must understand the nature of this problem. A good place to begin is, first, to understand what is not the problem. In this connection it seems to me the resolution and arguments of the hon. member for Prince Albert are invaluable; for I suggest that what he argues is not the problem. I submit that most of his material is irrelevant and, in due course, I shall offer the proof of this submission.

But, first of all, let me accept and admit the force of his relevant material. And by far the most impressive and most convincing is this list of names of eminent and public-spirited citizens of Canada who, like my hon. friend, are supporting a movement for a bill of rights.

Mr. Diefenbaker: Has the minister forgotten that Senator Roebuck and Senator Gouin, distinguished members of the Senate and lawyers, came to the same conclusion, and made the same recommendation?

Mr. Garson: Does my hon. friend contend that the senators whom he has named came to the same conclusion as he did? If he does, then my hon. friend must pardon me if I do not agree that they did. But, as I have said, this list of names is most impressive. With the exception of the communists, who are very prominent supporters of a bill of rights in Canada, all these men and women are estimable citizens—many of them close personal friends, as a matter of fact—with whom one is reluctant to disagree. Indeed with some of their statements I agree completely. For example, I agree with the members of the civil rights association when they say:

> . . . on the basis of Christian doctrines and the Christian values which have been accepted by our society that we can justify a declaration of human rights against those whose systems of thought and whose policies deny to the individual any rights of his own.

No person in his right mind would dispute that generalization. But against whom are we justifying these rights? Which are the Canadian parties whose policies deny to the individual any rights of his own? Surely no member of this parliament belongs to any such party. Indeed the only party that I know of in Canada which denies human rights to the individual is the communist party. Yet there is no political party or organization in Canada today which is more active than the communist party in its support of a bill of rights. Why? Because I suggest that a Canadian bill of rights would suit the interests and plans of that party.

Another assertion by the civil rights association with which I think we will all agree is that without these elementary rights a man cannot completely use the talents with which God has endowed him and that a recognition of these rights would receive, and indeed does receive, the wholehearted support of the Christian people of Canada.

My submission is that a bill of rights which is advocated in any of these forms which have been suggested is not the most effective form in which the recognition of those rights can take. I suggest to the hon. member for Prince Albert (Mr. Diefenbaker) that there is no country in the world whose constitution includes a bill of rights which recognizes and protects those rights as effectively as they are recognized in the United Kingdom and in this country of Canada. The United Kingdom has no bill of rights in the sense in which the hon. member for Prince Albert and the hon. member for Rosetown-Biggar (Mr. Coldwell) use that term as referring to something which they would like to add to our Canadian constitution.

This afternoon the hon. member for Prince Albert stated that there was some agitation going on in the United Kingdom seeking to add to their constitution at this time, in 1955,

that which throughout the centuries they have done without and yet managed to achieve the greatest amount of civil liberties of any civilized country on the globe. In the United Kingdom they have their own guarantees of the liberties of their citizens which in actual practice have been more effective than any bill of rights in any country.

Here I would point out to the hon. member for Prince Albert something which I dare say he is probably well aware of already, that in the preamble of the British North America Act we find these words:

> Whereas the provinces of Canada, Nova Scotia, and New Brunswick have expressed their desire to be federally united into one dominion under the crown of the United Kingdom of Great Britain and Ireland, with a constitution similar in principle to that of the United Kingdom.

In this Canadian constitution of ours, as I think the hon. member for Prince Albert noted this afternoon, are incorporated all the guarantees of the liberties of the citizens of Canada which are enjoyed by the people of Great Britain including the Magna Carta and the Bill of Rights of 1688. In my submission the real question here is whether we should permit the guarantees of our human rights and fundamental freedoms, which we have inherited from Great Britain and which work very well in actual practice, to be superseded in this country by an American style bill of rights which looks better to some people on paper but which—as my hon. friend in his reference to McCarthyism this afternoon indicated—does not necessarily and automatically protect the civil rights of the people of that country.

I am inclined to think that if many of the advocates of a bill of rights knew that what they were proposing was an exchange of the British type of fundamental freedoms for the American type, they would not be so enthusiastic about their advocacy of this change. I believe the communists know this point; but speaking of the others I cannot believe that many of the other advocates of a Canadian bill of rights believe that respect for civil liberties is greater in the United States of America than it is in either Great Britain or Canada.

"Oh, yes," they may say, "but if we have a bill of rights in Canada our provincial authorities, which under our constitution are charged with responsibility for the administration of justice, would enforce our Canadian bill of rights more strictly than some of the American states enforce their bill of rights." I suggest that this contention would possess validity only to the extent that in the steps which were taken to provide a Canadian bill of rights we did not ride roughshod over existing rights which our constitution gives to the provinces of Canada.

Mr. Diefenbaker: That is perfectly clear; I made that very clear.

Mr. Garson: With great deference, I do not think it was too clear. I am glad to have my hon. friend make his present statement.

Mr. Diefenbaker: I said it three times.

Mr. Garson: I shall refer to this point in somewhat more detail later on in my remarks.

With great deference I would suggest that the extent to which this real issue between the British type of guarantee of human rights and fundamental freedoms and the American type is misunderstood, is nowhere more clearly shown than in the arguments with which the hon. member for Prince Albert has from time to time supported a resolution such as that which we are now discussing.

May I suggest that those arguments at no point actually come to grips with the real issue. For example, the hon. member has argued that we need a bill of rights to correct certain shortcomings in the body of our law. He referred to the Blair Fraser case. He referred to the right of the subject to sue the government. He referred to the fact that there should be an appeal where a newspaper had been convicted of contempt of court.

What have those to do with our constitution or a bill of rights? As my hon. friend himself told us this afternoon, all that is required in any of those cases is to introduce amendments to our existing law. Amendments have already been introduced in connection with the latter two of those three cases. They were introduced by the government, supported by my hon. friend and passed by this parliament. There is no necessity in matters of this kind for a bill of rights. All that is needed is an amendment to the law.

I must say that my hon. friend brought forward some new examples this afternoon which I have not had time to examine with care. However, I examined all the cases he cited in his remarks on this subject matter in the preceding parliament; and I could not find a single case in which the alleged abuses he was complaining about could not be cured by a simple statutory amendment to the existing law, providing of course that my hon. friend could get enough members of parliament to support such an amendment.

Well, supposing he cannot get sufficient support. This is a free country. If my hon. friend does not like the attitude of the present parliament toward his statutory amendments we have, as he pointed out in his remarks, an

election at least every five years. At the next election my hon. friend can get together with his friends and try to elect a parliament that will bring in the statutory amendments to our law which he thinks are necessary. All of these things are completely irrelevant to the question of whether or not we should have a bill of rights in this country. As an example of this, he says:

...that no tribunal or commission shall have the power to compel the giving of evidence by anyone who is denied counsel or other constitutional safeguards.

Well, my hon. friend can go to the clerk tomorrow and put a notice on the order paper for a bill to provide that no person who is called upon to appear before a tribunal or a commission shall be denied in any case the right to counsel. But this has nothing to do with a constitutional amendment. All these things remind me of the episode in the story of Tom Sawyer and Huckleberry Finn where the two boys wanted to get out of the house they were in. One of them insisted upon pretending that it was a jail. All they needed to do was walk out; but that was not enough. They had to go through the very elaborate process of crawling through a window and using elaborate methods of raising the window and so on, in order to carry out the spirit of the adventure. That is all right in fiction, but when we are dealing with a problem in constitutional law I do not think it is necessary for us to complicate these matters unnecessarily. In order to get an amendment to our statute law, or to the law of the country, surely we do not have to go so far as to amend our constitution by changing what until now has been one of its cardinal principles, namely, the parliamentary sovereignty of the Canadian parliament and provincial legislature, and to attach to our constitution a series of limitations such as are attached by the United States constitution to the powers of the United States congress and the state legislatures of that country.

Let us examine just one of the limitations that he wants to attach. He says in his motion:

...that no one shall be deprived of liberty or property without due process of law, and in no case by order in council.

I suggest to him—I hope he will correct me if I am wrong—that is the analogue of the due process of law clause in the constitution of the United States of America. Such a clause would limit the sovereignty of the Canadian parliament and of our provincial legislatures in a manner which has been the delight of the corporation lawyers representing the public utility corporations of that country for the last 150 years; and the total cost of the litigation in relation to which the people of the United States, either as consumers or as taxpayers, have had largely to defray.

My hon. friend seriously brings this suggestion forward as a concrete example of what he wants to add to our constitution. Let us see what a prominent United States lawyer, one of the greatest living United States lawyers, thinks about this due process of law clause as applied under more appropriate surroundings in the United States of America itself where parliamentary sovereignty is not involved. The Hon. Mr. Justice Frankfurter in a book of essays entitled, "Law and Politics" published in 1938 and covering his writings from 1913 to 1938, said this concerning the two clauses of the United States constitution which correspond to the four clauses of my hon. friend's resolution:

The due process clause of the fifth amendment, a limitation upon the federal government and the due process of law and the denial of the equal protection of the laws of the fourteenth amendment, limiting state action and subjecting every local act of every state to the scrutiny of the supreme court at Washington—

Mr. Diefenbaker: What does the fourteenth amendment say?

Mr. Garson: I shall read this again, putting in the sub quotation marks, and my hon. friend will see.

The "due process" clause of the fifth amendment, a limitation upon the federal government, and the "due process of law", and the denial of the "equal protection of the laws" of the fourteenth amendment, limiting state action—

Fifth amendment limiting the federal, fourteenth amendment limiting the state; I continue:

—and subjecting every local act of every state to the scrutiny of the supreme court at Washington . . . these broad guarantees in favour of the individual are expressed in words so undefined, either by their intrinsic meaning, or by history, or by tradition, that they leave the individual justice free, if indeed they do not actually compel him, to fill in the vacuum with his own controlling notions of economic, social and industrial facts with reference to which they are invoked. These judicial judgments are thus bound to be determined by the experience, the environment, the fears, the imagination, of the different justices. For it cannot be too often made clear that the meaning of phrases like "due process of law" and of simple terms like "liberty" and "property", is not revealed within the constitution; their meaning is derived from without. As a great legal scholar has put it, social legislation of the twentieth century is declared unconstitutional by putting eighteenth century Adam Smith into the constitution. As an outstanding and candid member of the federal bench, Judge Charles M. Hough, reminds us, due process of law is a phrase of "convenient vagueness". "Convenient" for whom or to what end?

I now recommend the last paragraph of this same article to the house and particularly

to the hon. member for Prince Albert (Mr. Diefenbaker). It reads as follows:

> What is needed is a thorough understanding of our constitutional system in action, as a basis of determining what is the proper scope of judicial control, and what conditions are most likely to insure the exercise of this tremendous power by ordinary mortals, to avoid at once the abuses of tyranny and the timidities of dependence. Particularly does it behoove progressives not to content themselves with mere abuse of abuses, nor to fall back upon mechanical contrivances when dealing with a process where mechanics can play but a very small part. An informed study of the work of the supreme court of the United States will probably lead to the conclusion that no nine men are wise enough and good enough to be entrusted with the power which the unlimited provisions of the due process clauses confer. We have had 50 years of experiment with the fourteenth amendment, and the centralizing authority lodged with the supreme court over the domestic affairs of 48 widely different states is an authority which it simply cannot discharge with safety either to itself or to the states. The due process of law clauses ought to go. It is highly significant that not a single constitution framed for English-speaking countries since the fourteenth amendment has embodied its provisions.

Justice Frankfurter then goes on to say—and I recommend this particularly to my hon. friend:

> One would indeed be lacking in a sense of humour to suggest that life, liberty or property is not amply protected—

In certain countries which he names, and the first of those countries so named is Canada.

Mr. Diefenbaker: That was in 1938.

Mr. Garson: It is in the book of essays to which I have referred.

I am sure we all appreciate my hon. friend's anxiety to improve our constitution, but I do submit that we are not likely to improve it by adding to it a clause of this character.

This afternoon my hon. friend said that since this parliament abolished appeals to the privy council, Canadians whose fundamental freedoms were interfered with have no right of appeal to the Supreme Court of Canada as a final court of appeal for this country such as they formerly had to the privy council. I do not think I should spend a great deal of time upon this particular point because it is a simple point of fact or law. I regret that I must flatly contradict this statement made by my hon. friend by saying that Canadians have now a right of appeal to the Supreme Court of Canada which is just as full and complete as that which they previously had to the privy council itself.

At the time appeals to the privy council were abolished we instructed parliamentary counsel to provide in our legislation here the means of enabling Canadians to have the same kind of appeal to the Supreme Court of Canada as they had previously to the privy council. So far as I am aware, these instructions have been carefully followed with the result which I have just stated.

When my hon. friend is urging upon us that we should have a bill of rights in the United States manner, I think it might not be inappropriate if I contrast this unlimited right of appeal to which I have just referred with the appeal provided by the United States bill of rights where the Supreme Court of the United States may summarily, without stated reasons, refuse to review the judgments appealed against. Fowler Harper, professor of law at Yale university, in an article in the *Atlantic Monthly* for April, 1952, entitled "Decision by Silence" says at page 46 that the Supreme Court of the United States of America—

> . . . exercised its discretion in denying review in a thousand cases last term . . . Therefore, the opinion is offered that of the 1,002 cases which the court summarily and without stated reasons refused to review, there were 31 cases which were of vital interest to the nation and thus merited the attention of its highest tribunal. Of course, 31 cases out of a thousand doesn't sound like much, but if you put it in terms of 31 issues of national importance, it sounds different. For whatever significance it has—and it has great significance—17 of the 31 cases involved some aspect of civil rights.

Is there anything in that item of information that would move us to adopt a bill of rights similar to that of the United States?

Some hon. Members: No.

Mr. Garson: When my hon. friend from Prince Albert was delivering his remarks this afternoon, he was good enough to permit an interruption and to reply to my question as to whether the 11 articles to which he was referring as having come from the Roebuck committee in the senate were the same as those he was mentioning this afternoon and also the same as those which he had mentioned in a previous speech to us in the house. Having considered those articles carefully, I should like to say that in my view there is not one of them that is not amply protected by the existing laws of Canada at the present time, if those laws are properly invoked and administered. I admit that the request for a bill of rights to guarantee these human rights and fundamental freedoms—which I say are now properly protected—implies that these rights are not protected; and I believe that was my hon. friend's argument.

The Acting Speaker (Mr. Applewhaite): Order. I hesitate to interrupt the minister but it is my duty to inform him that his time has expired.

Some hon. Members: Go on.

The Acting Speaker (Mr. Applewhaite): With the unanimous consent of the house the minister may proceed.

Mr. Coldwell: I believe the minister has unlimited time in replying to a motion.

The Acting Speaker (Mr. Applewhaite): I do not think the motion made by the hon. member for Prince Albert (Mr. Diefenbaker) was one of non-confidence. I therefore thought it was my duty to advise the minister that his time had expired. However, with the consent of the house he may proceed.

Mr. Coldwell: Why was the hon. member for Prince Albert allowed to go on for an hour and twenty minutes?

An hon. Member: By consent.

The Acting Speaker (Mr. Applewhaite): I think that also was with the unanimous consent of the house.

Mr. Coldwell: I think the reply should be on the same basis.

Mr. Diefenbaker: Certainly, with consent. The hon. member was not here at the time.

Mr. Garson: As I was saying, I took it that my hon. friend—and I hope he will correct me if I am wrong—was implying by his reference to these articles that the present law was not in a satisfactory state. From having carefully examined all of these articles I suggest that those who imply this either disregard what the law now is or, it may be, they mistakenly regard as defects in the existing substantive law what are really not substantive defects at all, but merely defects in the administration of that law by the responsible authorities. What we must remember in this context is that all law is as administered by human beings who are fallible, who make mistakes, and who sometimes perhaps have prejudices which they should not have. But the defects in the administration of the law due to human prejudice and fallibility, I suggest, cannot be substantively changed by constitutional amendment or otherwise to protect human rights and fundamental freedoms. Indeed the experience of other countries shows clearly that even if we had a bill of rights in Canada, it might be difficult to secure what some Canadians might regard as a proper administration of the laws with regard to human rights and fundamental freedoms by some authorities who, because they strongly disagreed with certain clauses in the bill of rights, consciously or unconsciously would misinterpret them or improperly or inadequately enforce them. There are many examples of this sort of thing in the other countries which have constitutions and bills of rights which, on their face, are admirable. The hon. member for Prince Albert has made this statement:

[The Acting Speaker (Mr. Applewhaite).]

It—

A bill of rights.

—would give positive evidence that when Canada, at the United Nations assembly two years ago, accepted the universal declaration of human rights, that acceptance was a dedication of the Canadian people not only internationally but nationally as well.

Mr. Diefenbaker: What is my hon. friend quoting from?

Mr. Garson: I am quoting my hon. friend from Prince Albert.

Mr. Diefenbaker: When?

Mr. Garson: The last occasion when this matter was discussed.

Mr. Diefenbaker: Oh, yes.

Mr. Garson: From that remark I inferred that my hon. friend was of the view that Canada's acceptance of the universal declaration of human rights involved us in some changes in our laws within Canada itself as well as internationally.

Mr. Diefenbaker: Mr. Speaker, does my hon. friend not know that the declaration of human rights has never been submitted to the parliament of Canada?

Mr. Garson: If my hon. friend will examine the *Hansard* record—

Mr. Diefenbaker: Does he not know that?

Mr. Garson: Oh, yes; I know it.

Mr. Diefenbaker: That is fine.

Mr. Garson: That does not prevent my hon. friend from arguing—and from his point of view it is probably quite a good argument—that we should do something about it in Canada. I have never thought we needed to amend any law in Canada in order to bring the body of our law into conformity with this declaration of human rights to which we subscribed at the United Nations.

Mr. Diefenbaker: No one suggested that.

Mr. Garson: When I was at the United Nations assembly in Paris in 1952 I made it my business to confer with a noted Canadian lawyer whom I took to be the highest authority in this field at the United Nations at that time. He confirmed my own opinion that the condition of the Canadian law today is such that Canada does not need to pass a single law of any kind in order to be in complete compliance with the universal declaration of human rights to which Canada subscribed some years ago. This brings me to the text of my hon. friend's resolution.

Mr. Diefenbaker: Who was that lawyer?

Mr. Garson: Mr. Humphrey of McGill University, who was seconded there.

This brings me to the text of the resolution moved by my hon. friend and to the arguments by which he has supported it. He wants us, and I quote from his resolution, to submit "for the opinion of the Supreme Court of Canada the question as to the degree to which fundamental freedoms of religion, speech and of the press and the preservation of the constitutional rights of the individual are matters of federal or provincial jurisdiction."

Now, sir, with great deference I suggest that we cannot hope to secure a judgment which would be of any value for the hon. member's purposes by an abstract reference to the Supreme Court of Canada of a mixture of subject matters, some of federal jurisdiction, some of provincial jurisdiction, some in one aspect of federal jurisdiction and in another aspect of provincial jurisdiction, and some of mixed jurisdiction. Indeed, I doubt whether the Supreme Court of Canada would even consider a reference in the terms in which the hon. gentleman has suggested it. For I would point out that the words "fundamental freedoms of religion, speech and of the press and the preservation of the constitutional rights of the individual", taken by themselves and unrelated to any specific piece of legislation, are so abstract that I question whether any kind of useful response could be secured from the Supreme Court of Canada on a reference of that general character.

I am sure the hon. member is aware that when a question of constitutional interpretation comes before the Supreme Court of Canada it usually comes in the form of a federal labour law, for example, that was before the supreme court the other day. We say in effect here is a law which we have passed. We have invoked our jurisdiction. The question is whether the law we have passed is within our powers. In other cases, it may be a provincial law, but it is always something of a concrete nature like that. There is no group of human beings, no matter how subtle their intelligence or how able they may be, who can say that fundamental freedoms of religion, speech and of the press and the preservation of the constitutional rights of the individual are under federal jurisdiction or under provincial jurisdiction.

Take, for example, freedom of the press. It is not a subject which falls completely under federal jurisdiction or even completely under provincial jurisdiction. That abuse of freedom of the press which takes the form of a criminal libel is part of the criminal law and under federal jurisdiction. On the other hand, the laws relating to the bringing of actions against newspapers for damages for libel are provincial laws which deal with property and civil rights.

It is conceivable that either the federal parliament or provincial parliaments by legislating unreasonably could abridge the freedom of the press. In fact, as my hon. friend pointed out this afternoon, one provincial legislature did so. But I think it would be impossible for the Supreme Court of Canada to say that freedom of the press per se or the freedom of speech per se were wholly a matter of federal or provincial jurisdiction.

Mr. Diefenbaker: Would the minister allow a question there?

Mr. Garson: Yes.

Mr. Diefenbaker: Does he agree with Senator Roebuck, Senator Gouin who, I think, was on the committee, and several other very distinguished lawyers that a draft such as the one I have placed before the house today should be submitted to the Supreme Court of Canada for its decision?

Mr. Garson: Well, Mr. Speaker, having regard to the fact there was nothing in my hon. friend's last speech and nothing in his resolution to indicate he was going to submit an argument of this sort, I must say in all candour that I have never considered it. It is a matter upon which I would not want to express an opinion unless I had considered it carefully because I think there is nothing more unhelpful in a matter of this kind than the expression of unconsidered opinions.

My hon. friend, amongst other things, wants an assurance of freedom of religion. I suggest that we have freedom of religion in Canada right now. We have every kind and description of religion. Each sect practises its religion in any way it chooses, and none is barred unless in the course of practising its religion it breaks the law of the land. Let us, for example, take an extreme hypothetical case, and I am taking this case because there are no examples of it. I could take cases of a religion concerning which people who believe in that religion have been found guilty under the Criminal Code of not providing necessaries for those who were dependent upon them, but I am taking this other case because there are no examples of it and therefore it will not give any offence.

Let us take a religion that offered up human sacrifices, which at one time in the world's history was a practice of some religions. I have no doubt that there would be a general desire to have the offering of human sacrifices prohibited by law, not as an interference with freedom of religion but merely to stamp out a practice which was

disapproved by an overwhelming majority of Canadian citizens. Now, sir, I know of no constitutional amendment which would protect a Canadian citizen who had, for example, for religious reasons offered a human sacrifice of this sort. There is no protection that would interfere with the visitation of a penalty upon him.

I would point out that all constitutional guarantees must be interpreted by the courts, and the court in this hypothetical case I have mentioned—

Mr. Diefenbaker: But the hypothetical case would not concern freedom. The United States supreme court dealt with the point and said there is no freedom in an action such as the minister contemplates. That is exactly the point.

Mr. Garson: That is right. I agree with my hon. friend.

Mr. Diefenbaker: The minister is raising a straw man.

Mr. Garson: In a case of that sort the court would hear the evidence and would have to decide upon the evidence adduced in the case before it whether in substance what the accused had done was to practise freedom of religion or to break the law against human sacrifices. If the courts of any country in which these constitutional guarantees exist find that what has happened is that human sacrifices have been offered, the existence of the constitutional guarantees in favour of religious freedom would not protect the person charged.

Mr. Diefenbaker: I would hope not.

Mr. Garson: My hon. friend may not agree with the judgments of the courts in certain cases because, like the hon. member, myself and all members of the house, judges are human beings and like all of us they are fallible. That is why we have courts of appeal, and the courts of appeal are also fallible. But does the hon. member think that by a bill of rights we can make judges infallible or that we can protect ourselves against the human fallibility of judges who have to interpret these bills of rights?

My hon. friend mentioned freedom of speech. Well, sir, I should have thought that we have a very great measure of freedom of speech in this country. I can recall my hon. friend's own leader and several of his colleagues, who were very voluble in the former parliament and in the election campaigns of 1949 and 1953, supporting the thesis with resounding eloquence that the communists of this country enjoyed far too much freedom of speech and freedom of the press, and that this government was derelict in its duty for not taking steps to curtail the freedom of speech of these gentlemen, or perhaps to curtail their freedom of movement, or perhaps to curtail their freedom—period. Now at that time my hon. friend's thesis was that there was too much freedom. Today, he says there is too little. His arguments oscillate with time and place.

My hon. friend wants to guarantee freedom of the press. Well, sir, I should like him to tell us, if he will, what freedom of the press it is that is not now available to the newspaper and other publishers of this country. During the last parliament his colleague, the hon. member for Kamloops (Mr. Fulton), introduced a bill which we all supported to interfere with the freedom of the press with regard to obscene publications and crime comics. Was it not proper that we should have done so? If we had a constitutional amendment guaranteeing freedom of the press, there might be some question although I think properly interpreted there would not be. But at least I think this is a case in which we can trust the good judgment of parliament.

If my hon. friend can think of any example of a curtailment of the freedom of the press would he not, upon reflection, agree that it could be removed by either a provincial enactment or a federal enactment, depending upon whether the particular case fell under federal or provincial jurisdiction? It is not so very long ago, and the hon. member for Prince Albert brought this matter up this afternoon, when one of the provincial legislatures passed a law which, as we could see this afternoon, offended my hon. friend's views as to the degree of freedom which the press should have in this country. What happened? Action was taken in the courts, the same courts that would be interpreting a bill of rights—

Mr. Diefenbaker: If the minister would allow me to correct him, I would say that action was not taken. The dominion government was asked to disallow that enactment, but they did not disallow it. It was submitted, then, to the supreme court. No action was taken.

Mr. Garson: My hon. friend is quite correct. I was referring to that, improperly, as an action.

The matter came before the court. This was the same court which, now being the final court of appeal, would interpret any bill of rights we would have in this country. It was there held that under the present law of Canada the freedom of the press in that province could not be curtailed in the manner proposed by the legislature of the province. This happened under the present law.

Another point which my hon. friend from Prince Albert makes is that habeas corpus should not be abrogated or suspended except by parliament. I suggest that no one can name a single case in which habeas corpus has been abrogated or suspended in Canada except under the authority of parliament. Under our existing law habeas corpus is available to every subject who wishes to invoke it, and the only way it can be rendered unavailable is by an act of the appropriate legislative body which, in certain cases, is the parliament of Canada and in other cases is the provincial legislature.

When my hon. friend speaks of orders in council having done this or orders in council having done that, surely he must remember that every order in council which is used for any purpose by either the governor in council at Ottawa or by the lieutenant governors in council in the provinces, is open to challenge in the courts of this country. If a lieutenant governor in council or the governor general in council has passed an order in council which is not properly authorized by statute, no action can take place under it and the effect of any such action can be and will be quashed if it is challenged in the courts. So far as the necessity for a bill of rights to protect habeas corpus is concerned, I would submit it is not essential in any respect.

In the third paragraph of his resolution, the hon. member says:

> That no one shall be deprived of liberty or property without due process of law, and in no case by order in council.

I wonder if my hon. friend realizes the extent to which a literal application of this portion of his resolution would go. Does he mean to say that municipalities could not exercise any of their functions which they exercise under authority delegated to them by provincial legislatures, except by due process of law?

Mr. Diefenbaker: That is the only way they can act, by due process of law.

Mr. Garson: Quite. My hon. friend does not mean that they should have to have due process of law. Does he mean that we could not use an order in council to affect property? He says, "in no case by order in council". Would he think it was necessary for us in this chamber to pass a statute in every case in which the government of Canada was going to acquire any property? That is what his language states. Surely my hon. friend is quite aware of the fact this government cannot by order in council do any of the things with which my hon. friend charged it in a number of the details he cited this afternoon, except under the authority of some statute of this parliament or, in very exceptional cases, under the royal prerogative. All of those cases which he cited as based on an order in council, and which he seemed to suggest had some measure of illegality or impropriety about them, could be successfully challenged by my hon. friend acting for a client if those orders in council were not properly authorized by a proper statute of parliament.

It is on the basis of such arguments as these that the hon. member wishes us to believe that in 1955 he and others who are again urging this bill of rights have seen a light which Sir John A. Macdonald, Sir George Cartier, Hon. Edward Blake, Sir Oliver Mowat, Sir John Thompson, Sir Charles Fitzpatrick, Sir Allen Aylesworth, Sir Robert Borden, the Right Hon. Arthur Meighen, Sir L. Gouin, the Right Hon. Ernest Lapointe, the Right Hon. R. B. Bennett, the Right Hon. L. S. St. Laurent and the Right Hon. J. L. Ilsley have all failed to see in their time. Perhaps he is right and they have all been wrong, but for my part I think that is improbable. The fact is, as has been accurately and succinctly stated by the hon. member for Spadina (Mr. Croll), that the basic freedoms are more highly regarded and more secure to the individual in Canada than in any other country in the world with the possible exception of Great Britain.

Why are they secure? Because they are protected by the British principle of the sovereignty of parliament. It is this British principle which the hon. member for Prince Albert proposes to abridge by attaching constitutional limitations to it in the manner of the bill of rights in the United States constitution.

My hon. friend speaks for the Conservative party in this matter. Why then, may I ask him, do he and his party not believe and advocate that we should conserve what has worked well? Why do they not advocate that we should keep our meddling with the Canadian constitution to an absolute minimum? What kind of conservatism is this? Can the hon. member, looking around the world, name a single country in which a bill of rights such as he advocates has worked as well as the sovereignty of parliament has worked in both the United Kingdom and in Canada? It is a strange kind of conservatism that attempts to discard that which has worked well and to replace it with something which, wherever it has been tried has not worked nearly so well as the principle of the sovereignty of parliament in this country.

I have attempted to discuss all the main arguments of the mover of the resolution. I must say, in all frankness, that if we were going to consider a bill of rights in this country I would prefer at least the language of the proposal made and standing in the name of the hon. member for Rosetown-Biggar (Mr. Coldwell). I would be glad to discuss the proposal he has suggested and to indicate the methods by which I think it would have to be introduced, if introduced at all. But I would think it would be much preferable to do that after having had the benefit of a fuller expression of his views. For that reason I think I should bring my present remarks to a close.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I approach this particular topic with a good deal of trepidation, stepping in where angels fear to tread. I am not a lawyer. Certainly I am not a constitutional lawyer, and I hope to demonstrate that by speaking more briefly than either of the two hon. gentlemen who have preceded me.

The hon. member for Prince Albert in introducing his motion this afternoon said he hoped there would be an opportunity for a vote on the proposal for the writing into our constitution of a bill of rights. With that of course I want to agree immediately. I did not know, when the hon. member rose to speak, that he was going to incorporate in his speech, though not in his resolution, the points made and the proposals suggested by the committee set up in the other place.

The motion I put on the order paper originally and which the house was good enough to allow me to withdraw this afternoon, spells out what I think should be a satisfactory bill of rights for this country. I am going to say immediately that while that resolution is in my name and was discussed with me very thoroughly, I had some of the best constitutional and legal advice in the country before I drafted it and placed it on the order paper. And I believe that is the kind of thing upon which the vote should be taken. Previous to this afternoon the hon. member for Spadina (Mr. Croll) told me that if I moved my resolution he would be glad to let his stand, and would be prepared to second what I had moved. What I am going to do this afternoon is move the substance of my motion as an amendment to the motion of the hon. member for Prince Albert. Then if the hon. member for Spadina will allow me, I shall add his name as seconder of the amendment, despite the reference made by the minister to a statement he made in a previous debate.

If I have that consent—and I understand I have—in a moment I shall move in the form of an amendment the motion which stood in my name. I think the need for explicit amendments was substantiated in several of the instances to which my hon. friend from Prince Albert referred this afternoon. And if I may say so, his reference to the religious case which was before the supreme court, and upon which there was a difference of opinion among the judges, indicates the futility of making a reference to the Supreme Court of Canada such as is suggested in the main motion, without having something far more specific than the motion indicates.

I say further that it is the duty of this parliament, representing all the people of Canada, to decide whether or not we shall have a bill of rights written into our constitution. It is not therefore the function of the supreme court to decide; it is the function of this parliament to decide.

So, as indicated, I move:

That the resolution be amended by striking out all the words after the words "advisability of" in the preamble of the resolution, and substituting therefor the following:

"The taking of whatever steps are necessary to amend the British North America Act so as to include therein the following headings and sections:

XII HUMAN RIGHTS

148. Notwithstanding anything in this act, it shall not be lawful for the parliament of Canada or the legislatures of any of the provinces to make laws:

(a) Abridging freedom of speech and expression, or freedom of religion, or of the press or other means of communication or the right of lawful assembly, association or organization.

(b) Depriving any person of life or liberty by arbitrary or abusive measures, or denying to any person the equal protection of the laws.

(c) Requiring or imposing excessive bail or cruel or unusual punishment or exiling Canadian citizens.

(d) Subjecting any person to unreasonable interference with his or her privacy, family, home or correspondence.

(e) Subjecting any person to arbitrary arrest or detention or denying to any person the right after arrest to be informed promptly of the charges against such person and to trial within a reasonable time or to be released.

(f) Suspending the right to habeas corpus or depriving any person of a fair trial or the right to be represented by counsel.

149. The rights provided in section 148 shall be enjoyed without distinction of race, sex, religion or language and the right to vote in any election of members of the parliament of Canada or the legislative assembly of any province shall not be denied or abridged on account of race, religion, language or sex.

150. The rights conferred by sections 148 and 149 hereof of this act shall not be deemed to abridge any existing right of any person."

May I say that the need for a bill of rights of this description is certainly not of recent origin. In spite of the closing words of the Minister of Justice (Mr. Garson), over the years, and during the times of the

gentlemen to whom he referred, from time to time there have been serious infringements of individual rights and the securing of justice. For example, there comes to my mind the case of the Winnipeg strike in 1919, when the government of this country by telegram ordered the arrest of certain people in the city of Winnipeg. I believe it instructed that deportation be carried out but my memory is not clear on that point. The telegram said that legislation would be brought down later to validate the arrests or actions or whatever was being undertaken at that time. That was 36 years ago, and during the intervening period there have been many occasions on which interference with fundamental rights has been undertaken by various governments.

As has been said already this afternoon, in 1950 a committee of the other place sat to consider human rights and fundamental freedoms. After hearing many representations it recommended that parliament should adopt a declaration of human rights to be followed by consideration of the writing of a bill of rights so these rights might be embedded in our constitution. Of course since then parliament has done neither the one nor the other, although on occasion we have debated the question in this house.

In order to bring the matter to a head, I make the motion which I am now moving as an amendment to the main motion. I do that so we may take whatever steps are necessary to amend the British North America Act in a manner that will secure without peradventure to every citizen of Canada the common right of individual freedom in this country.

As the hon. member for Prince Albert pointed out this afternoon, we are a signatory to the international declaration of human rights. Canada's signature is attached to that document even though we have not approved it by resolution of this parliament. I point out that under that declaration of human rights—I was representing Canada on the committee that wrote this into the constitution—we pledged ourselves to achieve in co-operation with the United Nations the promotion of universal respect for the observance of human rights and fundamental freedoms. That was at Lake Success. We are signatories to that declaration.

Despite what the minister said, it seems to me that we have an obligation to see that we do within our own country what we propose other countries in the world should do. Therefore I think that within our own constitutional rights we should take the necessary action here to fulfil our obligations and pledges.

I want to say further that this parliament speaks for all the citizens of Canada. What I suggest is surely no infringement of provincial rights. Certain areas are suitable for provincial action in the defence of freedom. That is quite true. Certain areas in the defence of freedom may be suitable for municipal action. But the prerogatives of this parliament cover a greater area for our own protection than the area covered by all ten provinces together. This is the place in which our fundamental rights are either protected or not protected, or even interfered with.

As citizens of the whole country we must look to this parliament to protect our human rights as common citizens of a common country we call Canada. We have our act dealing with citizenship. Citizenship is a privilege conferred by this parliament, not by provincial legislatures. Citizenship is the responsibility not of the provinces but of Canada as a whole.

From time to time, as the hon. member for Prince Albert indicated this afternoon, there have been attempted and in some cases carried into effect in various parts of Canada certain limitations and serious infringements on the basic rights of freedom and citizenship in this country. The hon. member this afternoon referred to the Alberta press act of 1937. I am not going to enter into a controversy with the hon. member for Lethbridge (Mr. Blackmore) or anyone else sitting in this house, but I am going to say that the judgment of the supreme court was that it was an infringement of the fundamental rights of the press in this country.

Although it was not mentioned, the padlock law in another province of Canada surely was an infringement of the rights of individuals in that province. In the same province certain legislation limits the right to distribute literature, and even goes so far as to prohibit the posting of posters at election time, providing that all literature shall be submitted to the chief of police of the city by the people who want to post bills or distribute leaflets. They cannot do that without obtaining a licence and getting permission from the city during a federal election.

That I say is a serious interference with the rights of citizens at any time and particularly during an election, when people have the right to all the information that may be available to them in order that they may make up their minds as to how they shall cast their ballots. As I say, there have been these infringements, and I could enumerate others along the same line.

Human Rights

I noticed the Minister of Justice said that there had not been interference with the operation of habeas corpus, that individuals have had access to the courts and so on. I know that the reason for the incarceration of individuals incommunicado in the espionage case has often been said to have been valid and essential to national security. Here we had people incarcerated; their friends did not know where they were; they had no access to counsel, and their individual rights were sadly interfered with. Even if it is argued that the end justified the means I never can believe that the end justifies the means in matters of that description.

The proposals that I seek to place before the house for its consideration, and I hope its support, have been carefully drawn with all these things in mind and, as I said earlier, with the advice and assistance of persons whom I am sure the Minister of Justice (Mr. Garson) and the hon. member for Prince Albert (Mr. Diefenbaker) respect as competent constitutional lawyers in this country.

The mere adoption of this resolution asking for the consideration of such a bill of rights would not enact that bill of rights but it would clearly indicate our opinion. Enactment of the legislation is something that can only be done with the approval of the government, I take it; so what we might do is make a declaration expressing our belief in the great principles of human freedom which, as the minister said, everybody in this house without distinction, I believe, will profess.

I hold in my hand Professor Scott's brief which he presented to the committee which was established in 1949 and 1950 in the other place. Professor Scott said that principles similar to those I suggest should be written into our constitution. I am going to quote only a few words from the brief. He said this would become a recognized part of public policy, and would thus assist judges in the interpretation of both statutes and private contracts.

It is a well-known principle of law that private agreements cannot violate public policy. If we adopted a declaration of this description it would become public policy, and consequently it could be used for the guidance of the courts and would help in the interpretation of law. He then went on to say—and I am summarizing him now—that embedded in the constitution it would influence the course of future legislation in parliament by inhibiting the adoption of later statutes in conflict with it, although of course there would be no absolute barrier to subsequent amendment of the bill itself. We know that an act can always be amended in this parliament, no matter how well it may be written; but I would remind the house of this. The British bill of rights—and there is a bill of rights there that was adopted in 1688 by, as it then was, the English parliament; it was not a British parliament at that time—has never been interfered with since. Like Magna Carta, it is embedded in the constitution of the United Kingdom; and as a matter of fact these United Kingdom declarations or whatever they are, such as Magna Carta, have had a tremendous influence not only in the commonwealth countries but in countries which have derived their institutions from the United Kingdom, such as the congress of the United States.

While a bill of rights could be amended, it would bind the executive and administrative branches of government at all times to the will of parliament as expressed in the constitution. That expression, that declaration, that bill of rights, would express the will of parliament in the particulars which I have enumerated in the amendment I have moved. If we had such a declaration, no order in council could issue unless a statute giving power to the executive had first been enacted. I go back to the question of the Winnipeg strike and the order in council. The telegram was sent without a statute behind it giving the authority which the government claimed and intended to use.

Of course a bill of rights could be a separate statute instead of being written into the constitution; but I think the protection becomes much more specific if it is written into the constitution itself. It thus becomes much more valuable to the people of Canada, and much more certain. Written into our constitution, the rights and freedoms enumerated would ensure to the people of Canada that temporary legislative majorities—and we may get temporary legislative majorities here and there in this country in the future that would interfere with human rights to a greater extent than those rights have been interfered with in the past—would be prohibited from, or at least, if not prohibited, would find more difficult the setting aside of proper democratic procedures to interfere with our fundamental rights.

The advantage, too, of adopting a constitutional amendment is that it brings together in one place a statement of the rights and the freedoms of Canadians, some of which are already embedded in our constitution. For example, section 133 of the British North America Act relates of course to the use of the two languages in our country. In this parliament of Canada, in the province of

Quebec and in the federal courts of Canada, English and French are on equal footing. There is a constitutional right embedded in the constitution. Section 93 of the British North America Act gives the right of separate schools in the provinces where separate schools had existed or where subsequently, as in my own province and in the province of Alberta, the autonomy acts included a provision for those separate schools, just as in other provinces like Manitoba and British Columbia it is within the jurisdiction of the people to decide that they shall have a non-sectarian school system.

Those rights are embedded in our constitution, and as far as I know no one wishes to interfere with either of them. And of course when the matter of taking power to amend our own constitution was before this parliament we in this group were insistent that there should be embedded in the constitution the provision that a general election should be held at least once every five years. In the constitution before that, under section 20, we had the obligation of the government to call parliament together at least once a year, and it so remains.

There are those who say that a bill of rights is unnecessary because the preamble of the British North America Act says that the Canadian constitution—and the minister quoted it this afternoon—shall be similar in principle to that of Great Britain. Only the minority rights that were not a part of British tradition—and I have named them—were mentioned specifically in our constitution, particularly language and education.

Because of the disposition at times since then to infringe upon traditional rights that had been established in the United Kingdom, it is my opinion that it becomes necessary to write them more specifically into our constitution. I could of course have used my own language, but I happen to have here some reflections on a bill of rights by Professor Lower. I am not going to quote it at length, but he quotes at great length the representations that were made in Winnipeg some years ago in connection with a bill of rights.

I am just going to quote one part. It is rather lengthy, but I am going to quote from part of the material which he quotes. The quotation is from the brief submitted to the royal commission on dominion-provincial relations, Winnipeg, Manitoba, December 8, 1937, by Mr. Justice Coyne, Professor Lower and Professor MacFarlane. I should like to place this on record. Some lengthy quotations have been placed on the record this afternoon, and I am going to do the same thing. After talking about the difference between the British institution of parliament and the United States congressional system they say that the Americans therefore thought it advisable to set out a bill of rights specifically, and they go on to say:

> But the fathers of confederation, in the different circumstances of 1867, did not consider such specific provision to be necessary, especially when disallowance and reservation were there to protect them.

We have disallowance and reservation now, but the government has been loath to use either reservation or disallowance in recent years. I think the most outstanding case of that was when there was such tremendous pressure both in this house and in the country to disallow the padlock law in the province of Quebec, but the government refused to act. They go on to say:

> The necessities of our situation, with nine provinces, imperatively require equality everywhere to some minimum degree—some common rights of Canadian citizenship. Such rights must be beyond provincial interference, whether or not they are embodied in a bill of rights. The British North America Act was a product of its times.

I think everyone will agree with that statement. The year 1867 and the year 1955 are 88 years apart. The times then were very different from the times in which we now live; nor indeed was there such a threat throughout the world to political freedom—and I am speaking about political freedom, because I do not go along with the view that all our freedoms have been restricted over the last few years. As a matter of fact there has been much extension of economic and social freedom at the same time as in some places and under some circumstances there has been restriction of both political and religious freedom.

> Whatever there was of freedom in British institutions in 1867 passed into ours. We, in Canada, were the heirs of all the liberties won in previous centuries. It was inconceivable that the bodies set up for the government of Canada and its provinces, any more than that of Great Britain itself, would betray this fundamental of all British and Canadian life. Had not Creasy just said that Magna Charta had provided freedom to the utmost "for everyone that breathes English air"? To the people of the time, there seemed no more need to recapitulate those rights and incorporate them in an act than there was to incorporate the ten commandments. English liberty was taken for granted. It was basic in our constitution. It may therefore be asserted that in the British North America Act, by the very necessities of its existence, there must be found embodied as rights of Canadians as such, those fundamentals historically known as the liberties of the subject. These liberties are traditional. They are the warp and woof of our way of life, as that of all other English-speaking communities, and a part of the democratic system and philosophy. They are the foundation of our conception of citizenship and of the institutional structure of the dominion and all its provinces, that is to say, of representative and parliamentary government and the reign of law among a free people, as opposed to the conception and exercise of dictatorial will. To the fathers it

was unthinkable that they should ever be in danger from any British legislature, for that legislature was simply a manifestation of the free men who stood behind it. These rights, to them, were too plain to need expression, they were underlying, basic, implicit and unchallengeable. The fathers therefore, felt no necessity of especially referring to or safeguarding in express language the traditional and fundamental liberties of the subject from provincial curtailment or annihilation. The spirit of the times has now changed and experience has shown that the liberties of the subject are no longer completely safe in the legislative hands of the provinces.

I think a case was made for that this afternoon. They continue:

What of the dominion? If the legislature represents the "will of the people", recent experience has tended to show that "the will of the people" may not necessarily be in the direction of traditional liberty. But shall established liberty on that account be jettisoned? Liberties sometimes have to be maintained not by, but against, majorities . . . In invading the liberties of the subject, in attempting to curtail the full rights of the citizen of Canada, the province at present professes to act within its own sphere of civil rights. Even if the matter be put on no higher ground than that of preserving uniformity of citizenship throughout the dominion, a superior plane of civil rights must be recognized above the jurisdiction of the provinces, especially dedicated to guardianship of the civil rights of the citizen as a citizen of Canada.

That is precisely what I have in mind in urging the house to support the amendment. I should like to say something more about the amendment after recess. I shall be just a few minutes more. I would ask you, Mr. Speaker, kindly to call it six o'clock.

Mr. Philpott: Will the hon. member permit a question before six o'clock, because I should like to hear from him afterward?

Mr. Coldwell: Yes.

Mr. Philpott: Is he aware of the effect this would have in case of war, when it is necessary for the government to have power to act quickly?

Mr. Coldwell: Yes, naturally. This parliament has declared, as has the government, that in the event of war or apprehended war parliament will be called together and parliament will make a decision as to whether or not this country will issue a declaration of war.

I know of only one instance in recent years when that was not done, and that was the day we declared war on Japan. There had been in this house such unanimity of opinion, regarding Japan's activities before Pearl Harbor that Mr. Mackenzie King telephoned the leaders of the opposition parties and asked for their consent to issue a proclamation on Sunday, December 7, with a very good object in view. The object was that, since the United States had been extremely considerate of our needs prior to her entry into the war against Japan, the government of Canada would like it to be the first country in the world to declare war on Japan. The leaders of the opposition parties in this house agreed and the proclamation was issued that night. That is the only time I can remember when it was not done by parliament assembled.

Mr. Philpott: The hon. member has not quite caught my meaning. I am not talking about the technique of declaring war. I am talking about the necessity for a government, in time of war, to have power to act quickly in such things as the restriction of freedom of speech.

Mr. Coldwell: The hon. member was not here during the war. Had he been here he would have been aware of and acquainted with the War Measures Act which this house passed years ago and which gave the government all the powers they required to do almost anything they needed to do in wartime.

Mr. Garson: Will the hon. member permit a question? Would not a bill of rights make it impossible to pass an act like the War Measures Act?

Mr. Coldwell: No, I do not think so.

Mr. Philpott: That is the point I had in mind.

Mr. Coldwell: It must be remembered that a bill of rights is always amendable by parliament. In the event of the outbreak of war, if an amendment were needed to set aside certain aspects of a bill of rights I have no doubt this parliament would give immediate consideration to it and would give the necessary power to the government. I therefore see no objection to it on that score.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Coldwell: Mr. Speaker, I shall conclude as quickly as possible. Just before the dinner recess the hon. member for Vancouver South (Mr. Philpott) asked me if I did not consider that a bill of rights of this description might interfere with Canada taking action on the outbreak of war.

During the dinner recess I looked up the War Measures Act of 1914, brought forward in the revised statutes of 1927 and appearing again as chapter 288 of the revised statutes of 1952. The War Measures Act not only sets aside provincial boundaries of legislation and so on but gives the government very

wide powers indeed in the event of apprehended war, civil strife or war itself.

I do not think these powers could be set aside by the enactment of a bill of rights, and if there was any danger of that I have no doubt that parliament itself would soon find a way to give to the government all the powers it needed in the event of such a catastrophe. I see the Minister of Justice (Mr. Garson) wants to interrupt me.

Mr. Garson: Would my hon. friend permit a question? Is not the point here that a bill of rights in the terms of the amendment of my hon. friend would make it impossible for parliament to pass a war measures act at all?

Mr. Coldwell: I do not think so because in any event the legislation is on the statute books. As I understand it, legislation that we place on the statute books does not become retroactive. Consequently I think the War Measures Act would still be in effect among the revised statutes of Canada and could be proclaimed without any fear of being challenged under a bill of rights. However, as I say I am not a constitutional lawyer, and I am not going to dispute with the minister. I have no doubt that he can find ways and means of getting around a situation of this description if it should prove to be sufficiently important and awkward.

Mr. Fulton: It would have to come before parliament.

Mr. Coldwell: It would have to come before parliament. The minister by order in council could not do it, but I take it that parliament is always supreme and anything parliament does can be undone or amended by parliament. I noted that the committee in the other place stated in its report:

> What is required in Canada is a broad statement of human rights leaving, as did the drafters of the United States bill of rights, the detail of application and the necessary qualifications and exceptions to the courts.

They go on to say:

> Many of the provisions suitable for inclusion in a bill of rights already appear in some portions of our law,—

I pointed that out this afternoon.

> —but they are not always of nation-wide application. Some fundamental rights are already expressed in the constitution. Other provisions of freedom and security are in the statutes and still others in decisions of the courts, together with custom or the commonly accepted way of doing things.

They go on to say, and this is what I have attempted to do and where I agree with them:

> What is required in Canada is one grand and comprehensive affirmation, or reaffirmation, of human rights, equality before the law and of security, as the philosophical foundation of our nationhood, that will assure continually to each Canadian that he is born free and equal in rights and dignity with all other Canadians, that he cannot be held in personal slavery, or arbitrarily arrested, that he will always be presumed innocent of any offence until proven guilty, that he has freedom of thought, conscience, expression and movement, and so on through the universal declaration. Thus will Canadians know of their freedom, exercise it in manly confidence and be proud of their country.

That pretty well sums up the view that is held fairly generally, I think, by those of us who are supporting the passage of such a bill. It is spelled out in the amendment in detail. I have no doubt that further consideration by the government might result in some changes in the phraseology, but since the amendment calls for consideration by this house of such a bill and its preparation, I think that purpose would be served by the adoption of the amendment to the motion.

Mr. David A. Croll (Spadina): Mr. Speaker, I am pleased to be associated with the distinguished member for Rosetown-Biggar (Mr. Coldwell) in the amendment he has presented that is now before the house. It is not often I have the privilege of associating with him in the common interest as I can on this occasion, although on many issues we see eye to eye. We had a great afternoon today in that we were privileged to listen to two brilliant constitutional lawyers, the hon. member for Prince Albert (Mr. Diefenbaker) and the Minister of Justice (Mr. Garson). I too am a lawyer, but I am not much of a constitutional lawyer.

I listened very intently to both hon. gentlemen discuss the constitutional issue, and I must admit that it has added to my confusion, which I now share with the Supreme Court of Canada and the privy council. I have come to the conclusion that the only ones who are not confused by this issue are the people. They know what they want. They call it a bill of rights. The Minister of Justice said there was a great deal of difference of opinion as to the kind of bill of rights that was wanted. There was one bill of rights wanted by the Winnipeg *Free Press*, another by the hon. member for Prince Albert, another by other eminent gentlemen and another by recognized organizations.

I am not so much concerned with the differences between these people as I am with the fact that they all agree that there is a need for a bill of rights. When the Minister of Justice tells us that our rights are protected and we do not need a bill, and what we are talking about in effect are defects in administration, I assure him that it is a little deeper than that. I listened very carefully to

his presentation, but it left me firm as to purpose and a little uncertain as to method.

At the present time, because the quality of our citizenship is not defined, we are in danger of having ten separate and distinct types of citizenship in Canada, one for each province. It is my view that all freedoms are related. If freedom of the press can be threatened by provincial legislation as it was on one occasion, freedom of conscience and freedom of religion may also be threatened, as has also been the case.

I think we should distinguish between freedom and sovereignty. Sometimes the latter is taken for the former. They are not the same. To give examples of the dangers, there is the Duplessis padlock law which is still the law of one province, the Alberta press act which was disallowed, and the recent amendment by Duplessis of the freedom of worship act which has as its purpose to get around a decision by the supreme court which favoured Jehovah's witnesses. Individual freedoms are not a law of nature but the will of man, and in a fiercely competitive world they cannot be taken for granted.

The desire for a bill of rights arises from a popular determination to be free from the tyranny of states and masters. Some people have expressed the view that a bill of rights is superfluous. They believe that individual freedoms are sufficiently implied in our constitution. That point of view has been expressed in the house. There are others, and they are in very large numbers, who believe that the absence of a bill of rights is an alarming thing. Many people are aware of the perils of the delay in having one written into our constitution. The majority seldom need constitutional justification for their rights. They usually, in some way, get what they want. The laws of arithmetic protect them.

As has already been indicated by one of the speakers, free speech in Canada is guaranteed by no statute. It is tolerated by the courts and it is allowed by the public so long as it does not radically affect public opinion. Duplessis has never been prevented from padlocking newspapers or clamping pamphlet distributors into jail. Freedom of worship is guaranteed by no law on our statute books. At the United Nations we defend freedom of worship, speech, press, religion and freedom from arbitrary arrest; thus we should be pinned down to guarantee them at home.

I suggest it is time we defined these freedoms and protected them by writing them into our constitution. A bill of rights gives the individual citizen the same protection by the courts in maintaining his freedom as the courts afford governments in imposing their will upon individual citizens. I have said before and I repeat now that a bill of rights is not an academic subject, but a real and very live one. It is something that is greatly needed by Canadians today, if only for its moral and ethical force.

There is no fundamental law in Canada guaranteeing civil liberties. There is no fundamental law in Canada forbidding the exercise of power in the denial of civil liberties. Ours is a negative freedom. Free speech is in a position where it is not forbidden, as are the other basic freedoms. I agree with the hon. member for Rosetown-Biggar, and I urge that there is a need for a formal restatement of the fundamental principles of individual freedom. The people of Canada want to know what are their rights. They have a right to know that.

Let me indicate for a moment some of the things I have in mind for a bill of rights. There are, of course, the racial discrimination cases which are widely reported in the press. There are a great number of cases which do not come to the attention of the public and are unknown except to the parties involved. One of the fundamental freedoms in any bill of rights is the freedom from discrimination on the ground of race, colour or creed. Equally a right is the freedom of the individual to practise his religion according to his beliefs. Any bill of rights must protect these most precious and personal of all freedoms, which cannot be limited or qualified.

In Canada we have no preferential religion. In the eyes of the law and at the bar of justice all religions are valid and deserving of respect. This must be affirmed in a bill of rights so it will be a constant reminder to those who may be tempted to instil intolerance by reason of their numerical or economic superiority. We are a land of minorities, religious as well as racial. The Protestant, the Catholic, the Jew, the Mohammedan—yes, the Jehovah's witness—practises his religion not on sufferance but as of right.

Political freedom is equally important. I referred before to the Duplessis padlock law, which is an abridgement of the right of assembly and which is still part of the law of one of our provinces. I speak of the right of assembly, and that brings to mind old phrases that are well remembered, such as the right to join the union of one's choice; freedom of the press and freedom of communication. I do not suggest that legislation in itself is a complete answer, but it does have the effect of focusing the problem and spotlighting for many citizens the real difficulty. Once awakened to the truth they are ready to take action.

The Minister of Justice quoted part of a speech I made in this house in 1952. I now

gladly acknowledge and am quite ready to repeat what I said then. I do so with considerable pride. I said that the basic freedoms are more highly regarded and more secure to the individual in Canada than in any other country in the world, with the possible exception of Great Britain. All I ask is that those basic freedoms be put into writing and written into the constitution. Democracy implies the right of any individual to think differently from the majority. One of the real tests of democratic strength is how well it can stand minority pressures and differences of opinion, yet at the same time defend itself from subversive and destructive forces which would destroy it without employing the methods that are used by totalitarian states.

The purpose of a bill of rights is to guarantee that the basic freedom of the individual will not be violated, while at the same time restricting that freedom which might jeopardize the safety and security of the state. What I ask in a bill of rights is freedom under the law depending on two basic principles: One, that the individual may do and say what he pleases, so long as he does not transgress the substantive law of the land; two, that public authorities may only do those things which are authorized by common law or statute. Within that framework our Canadian bill of rights can be constructed. We have approved the charter of the United Nations and the universal declaration of human rights has been approved by our representatives, though not by this house. As a matter of fact we have been active in promoting both of these. If we fail to embody them in our constitution we say, in effect, that we agree but we are not prepared to put them in writing.

We, as representatives of the people, have no power to invade the rights or trample the liberties of those whom we represent. As a result of our discussion on the bill of rights both in and outside this house, progress has been made in Canada. We have fair employment practice legislation in the federal field and also in a number of the provincial fields. The racial restrictive covenant was declared invalid by the Supreme Court of Canada, and in my own province of Ontario it has been prohibited by law. In recent years there has been a definite increase in the anti-discrimination legislation. Discrimination in advertising has been outlawed in my home province as well as elsewhere. Our labour legislation in general prohibits discrimination in employment and anti-labour activities by employers.

But liberties are in danger, and we must guard against those dangers. They are in danger in two ways; first the direct conflict with a power which does not believe in them and which certainly wants to impose its philosophies on as many of the world's population as it can. And, as a reaction to this danger, there is the widespread distrust of anything in anybody that diverges from the accepted or established viewpoint. In some parts of this country it would take a brave, even a foolhardy man, occupying a white-collar position, who would express openly his belief in socialism, or even his doubts that our present economic system left room for improvement.

Constantly we are being told that democracy is something special, something just for us, and that the rest of the world does not quite seem to understand it. What we call democracy is not limited by any place, race or nation. I believe that men yearn for it and are fitted to work toward it in the east as well as in the west. I share with the house the belief in the good life for everyone. But I believe in concrete ways of making things better, rather than in the magic of an imported slogan.

So, Mr. Speaker, until we are prepared to guarantee the freedom of the individual and place it in a broadly conceived bill of rights, supported by all the ethical and social sanctions our society can command, we will go ill-armed into the great ideological conflict being waged in the world today. It is my belief that there is a great need for a charter of human rights, which should be translated into a bill of rights. The need for it is both overwhelming and self-evident.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, in rising to offer a few comments upon the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell) I would like to express my appreciation of his action in clarifying what I think is the real issue in this matter, by submitting the type of bill of rights which he has offered in this amendment in, if I may say so, apt and appropriate terms.

My hon. friend's ideas on previous occasions have been the subject of consideration by persons other than myself and I should like to quote, and make my own, some language from an editorial from the Winnipeg *Free Press* of July 9, 1954, because I think it expresses succinctly exactly what it is this bill of rights, in the form which has been moved, would do. The language of the *Free Press* is as follows:

> Mr. Coldwell has attempted in fact to graft an American constitutional method to a Canadian constitution, British in origin. The American constitution was carefully designed to curb the powers of government in general, and of the federal government in particular. On the other hand the

British constitution, while curbing the powers of the crown under King William's bill of rights, never attempted to curb the powers of parliament. They are absolute and unquestioned.

In his amendment the hon. member for Rosetown-Biggar says that we should consider taking whatever steps are necessary to amend the British North America Act so as to include therein certain headings and sections—and then he proceeds to set out his bill of rights. I do not know of any better way in which one's co-operation can be shown in respect of a motion of this sort other than to do exactly what the amendment says; that is, to consider the taking of whatever steps are necessary, and to examine just what steps would be necessary. Because I think that those who try to bring this subject down out of the zone of rhetoric into the zone of actuality, by examining what it is that needs to be done, have at least as great a claim upon the approbation of those who seek a bill of rights as others who make speeches but will not take part in an examination of the method by which their speeches can be implemented.

So let us assume that, in defiance of the lessons of history, we are prepared to discard the tried and approved British principle of the sovereignty of parliament, and to substitute for it the by no means as well proven American principle of a bill of rights. In doing so I suggest that as a matter of technical necessity we must make allowance in this country for our Canadian division of legislative powers between the parliament of Canada on the one hand and the legislatures of the provinces on the other.

If to protect human rights we desire to limit the legislative powers of the Canadian parliament, the limitation we devise for this purpose must be considered as dealing with a subject matter which falls within the jurisdiction of this parliament. If on the other hand we desire to limit the legislative powers of provincial legislatures in general, then we are dealing with a matter which would come within the legislative powers of the provinces of Canada.

Why is this so? It is so because, from the time it was passed, the British North America Act gave to the provinces under the first heading of section 92 the power to amend the provincial constitution in any respect in which the provincial legislature desires. And as hon. members who were members of this House of Commons in 1949 will recall, at that time we in parliament took power to amend the Canadian constitution in respect of those matters of purely federal concern. And so far as matters which are of purely provincial concern on the one hand or purely federal concern on the other are concerned, they can be dealt with by the provincial legislatures and by this parliament, respectively, without recourse to any legislative authority outside of Canada.

But as matters now stand when we are attempting to restrict the powers either of parliament or of the provincial legislatures in respect of a matter of joint concern to the federal parliament and to the provincial legislatures, then the present position is that that restriction could only be imposed by the imperial parliament at Westminster to which we would have to go for our amendment. Incidentally if the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell) were given effect the resultant constitutional change would limit, not only provincial powers in other respects but it would limit the power which provincial legislatures always have had to amend the constitutions of the provinces, by imposing upon them the restrictions which are outlined in his proposed bill of rights.

It is considerations such as these which make the enactment of a bill of rights in a country like Canada in which the jurisdiction is divided between federal and provincial legislatures so complex and difficult. As I think most hon. members are aware, we have been engaged in the past in conferences with the provinces with a view to devising some method whereby we could amend in Canada those matters of joint concern to parliament and to the provincial legislatures without being under the necessity of having to go to the imperial parliament to secure such amendment.

In my view I think it is the course of prudence that we should postpone the question of securing a bill of rights, even if it were desirable upon other grounds, until we shall have achieved at least in substantial part this constitutional reform of being able to amend our constitution in our own country without recourse to the parliament at Westminster.

There are three reasons for this. In the first place, I think we shall make better progress if we do not consider more than one difficult and complex matter at a time.

Secondly, having regard to the fact that the administration of justice falls within the jurisdiction of provincial governments, and that any new provisions brought into existence in the form of a bill of rights will have to be enforced as part of the law of the land by the provincial authorities, it would seem that a bill of rights would operate much more effectively if it were concurred in by the provincial authorities who will have to play such a large part in its administration.

My third reason is a more difficult one. It has to do with this question of divided jurisdiction in a federal state like Canada. To explain this point involves comparing the British constitution, the United States constitution and the Canadian constitution.

One of the first principles of the constitution of the United Kingdom is that which I have referred to already, the sovereignty of parliament. In the United Kingdom no court may declare any act of parliament ultra vires. Because parliament is supreme in that country that question never arises. No matter to what degree statutes of parliament in the United Kingdom may destroy human rights and the fundamental freedoms of its citizens, they are nevertheless valid as being within the sovereign powers of parliament. The great landmarks of English constitutional development such as Magna Carta, the habeas corpus act and the bill of rights act of 1688 can be repealed or amended by a statute passed by a mere majority in the House of Commons and the House of Lords. These so-called charters of liberty are merely part of the law of the land which parliament can amend at will.

It is true that these charters do protect the citizens against arbitrary action by the crown or by the government, but since these charters are themselves subject to the sovereignty of parliament they cannot protect a citizen against the action of parliament itself. As long as the United Kingdom retains its present constitution, it is impossible from a legal standpoint for the United Kingdom to provide a charter of liberties, a bill of rights, which a subsequent parliament could not change.

Yet I ask you to note that it is under this principle of the sovereignty of parliament, with no limitations upon the powers of parliament, with no charter of liberties which parliament cannot change or repeal at will that a greater degree of political liberty over a longer period of time has been achieved than in any other nation in human history. In many cases it is in this country where there is no charter of liberties that the nationals of other countries, whose human rights and fundamental liberties are supposed to be guaranteed by constitutional bills of rights, find sanctuary as political refugees. It is under this same principle that in Canada we have found a degree of political freedom throughout our history which is second only to that of the United Kingdom.

On the other hand, in the United States the overriding legal sovereignty is not in congress, nor is it in the state legislatures. At the end of and as a consequence of the successful American revolution the legal sovereignty of that great nation resided in the rebelling citizens themselves. As you will recall, in the beginning of the American declaration of independence we find the words "We the people". Having successfully rebelled they went about the setting up of their own governments. It was they who clothed their congress and their state legislatures with all the legislative powers which they possess. The constitutional restrictions which make up the American bill of rights in the American constitution and which protect American citizens' liberty and property are simply powers which the people of that country withheld from their congress and their state legislatures for themselves, the American people. For example, the due process of law clause to which the hon. member for Prince Albert (Mr. Diefenbaker) referred this afternoon is a restriction upon the legislative powers withheld from the American lawmaking bodies both in the federal and state spheres by the American people.

When Canada, as a newly-created nation, inherited from the United Kingdom its present constitution, it inherited with it this principle of the sovereignty of parliament. The privy council has held that the Canadian parliament, upon the one hand, and the Canadian provincial legislatures, upon the other, are sovereign within their respective jurisdictions and that together they are authorized to exercise the whole field of legislative power.

But because Canada was created as a federal nation made up of the federal government and provincial governments the necessity arose of dividing legislative power between the federal parliament on the one hand, and the provincial legislatures on the other. This division has imported into our constitution two ideas which are in some degree inconsistent with one another and for which we must make allowance in our approach to this problem of a bill of rights.

On the one hand, Canada and the provinces have together inherited the whole sovereignty of the British parliament. On the other hand, this division of legislative power between the parliament of Canada and the provincial legislatures has imposed specific limitations on their respective powers. For example, the parliament of Canada cannot legislate with regard to those matters which come under provincial jurisdiction. The provincial legislatures cannot legislate with regard to those matters which come under federal jurisdiction. As regards matters of joint concern to the Canadian parliament and the provincial legislatures of Canada, any restriction upon the legislative powers of the Canadian parliament and the provincial

legislatures that might be required by a bill of rights such as that moved by the hon. member for Rosetown-Biggar must be provided, as matters now stand, by the parliament of the United Kingdom, the legislative body which enacted the British North America Act in the first place.

Let us suppose that before we can agree with the provinces as to a method of amending our own constitution within Canada in matters of joint concern we ask the British parliament, as we should have to do, to impose upon this federal parliament and upon the provincial legislatures constitutional restrictions similar to the United States bill of rights, or, to be more specific, of the type which the hon. member for Rosetown-Biggar moved in his amendment this afternoon.

What does it mean to impose such constitutional restrictions? It is just another way of saying that we withdraw from our parliament, or the imperial parliament withdraws from our parliament and our legislatures, the lawmaking powers to pass a certain type of law, a law in the terms of my hon. friend's amendment for example:

> Abridging freedom of speech and expression, or freedom of religion, or of the press or other means of communication or the right of lawful assembly, association or organization.

When that restriction has been imposed, then from that time on it will not be possible for this parliament or provincial legislatures to pass a law of that kind, and the power to do it in all matters of joint concern will be reserved not in any legislative body in Canada, but in the imperial parliament in England.

Mr. Knowles: May I ask the minister a question on that point? Does he think that the parliament at Westminster would pass any legislation of that kind, apart from a request of the Canadian parliament?

Mr. Garson: I do not suggest that it would.

Mr. Knowles: Then it is a meaningless argument, is it not?

Mr. Garson: No, not at all because the difference is this. In the United States they secured the eighteenth amendment to their constitution by a method provided in their constitution for amendments of that kind and withdrew from their legislative bodies the power to pass laws authorizing the sale of spirituous liquors and thereby brought about prohibition in that country. When this prohibition policy proved to be a colossal failure they had in their constitution, already provided for in advance, the means whereby they could repeal the eighteenth amendment and abolish the colossal failure. But in our case, if a corresponding amendment to our constitution had to do with a matter that was of joint concern to the federal parliament and provincial legislatures, the legislative power withdrawn from parliament and our provincial legislatures would then rest in the imperial parliament at Westminster, and we should have to go back later as suppliants and ask them to please repeal that amendment and restore such legislative powers to the parliament and provincial legislatures of Canada.

Mr. Knowles: That is no different from what happened in the United States; they had to go back over the same route.

Mr. Garson: There is this difference. When we shall have taken, as I am confident that ultimately we shall take to ourselves in Canada the power to amend our own constitution and also at the same time to repeal any amendment that we do not wish to maintain, that will be the time when it would be proper to consider the superimposing of a bill of rights upon our constitution.

I said a few moments ago, sir, that our parliament and our provincial legislatures are supreme and sovereign within their respective spheres of jurisdiction. Acts of parliament of Canada can be held to be ultra vires because they deal with matters which come under provincial authority. But they cannot be held to be ultra vires because they may authorize emergency procedures such as those under the War Measures Act, or because they confiscate property without compensation, or because they interfere with private contracts. I must say, with great deference to the hon. member for Rosetown-Biggar, that it seems to me that if we had grafted upon our constitution, or I should say superimposed upon our constitution, a bill of rights in the form in which he has suggested, our legislative power to pass an act like the War Measures Act to deal with national emergencies in wartime would be very seriously open to question. Indeed I have suspected that the great zeal and enthusiasm with which the communists have supported the campaign for a bill of rights is because they would like to put us precisely in that position.

We are in a position here in which we have to secure from the parliament of the United Kingdom amendments to our own constitution with respect to all of these matters of joint concern to Canada and the provinces. Thus bill of rights restrictions upon the powers of parliament and provincial legislatures would result in the subject matter of such restrictions resting with the imperial parliament during the interval that the bill of rights restriction continued. My view is

that instead of moving into such complications of a bill of rights before we have acquired full powers to amend our constitution in Canada we would be better off to adhere to the principle of the sovereignty of parliament which has served us very well in the past, and has also served the United Kingdom well.

When we look at that country and think that in times of direst national peril elections did not cease to be held, and parliament did not cease to sit and deal with matters in open discussion in the freest possible manner, and that there was a minimum invasion of human rights and liberties even in wartime, it makes one reflect as to whether the sovereignty of parliament is something that we should lightly cast aside in favour, sir, of what? In favour of constitutional guarantees such as the following excellent ones. I should like to read these into the record:

Article 87. All court cases are heard in public and the accused is guaranteed the right to be defended by counsel.

Article 88. Judges are independent and subject only to the law.

Article 94. Citizens have the right to rest and leisure.

Article 100. Citizens are guaranteed by law: (a) freedom of speech; (b) freedom of the press; (c) freedom of assembly, including the holding of mass meetings; (d) freedom of street processions and demonstrations.

Mr. Fulton: Is this the United Nations' declaration?

Mr. Garson: No; I shall tell my hon. friend what it is when I have finished. I continue:

Article 102. Citizens are guaranteed inviolability of the person.

Article 103. The inviolability of the homes of citizens and privacy of correspondence are protected by law.

Article 111. Elections of deputies are equal: each citizen has one vote; all citizens participate in elections on an equal footing.

Article 115. Voting at elections of deputies is secret.

These, sir, are the articles which form part of the constitution of the Byelorussian Soviet Socialist Republic of February 19, 1937, as amended and supplemented up to and including July 11, 1947. They are a pretty good example, both in their content and in their operation, of the fact that you do not make a new heaven upon earth by passing a bill of rights.

Thus, Mr. Speaker, I suggest that the choice which faces us here in Canada, and which has been placed before us on the order paper by the hon. member for Rosetown-Biggar, is the choice between placing our faith in the sovereignty of parliament and in the good sense of the Canadian people who elect parliament on the one hand, or in constitutional provisions such as those which I have just read, as interpreted by the courts. If purely as a matter of theory—if words on paper or bills of rights or anything of that sort can in themselves be our salvation—I think you cannot get a much better constitution than the one I have just read.

But when we come to administer any form of bill of rights this question is at once raised: If we are afraid of parliament and of public opinion which elects parliament, what of the courts? Are they completely immune from public opinion? Should they be completely immune from public opinion? We well may wonder whether, in the last analysis, there is much choice between these two alternatives. In a democratic country such as Canada surely, in the last analysis, it is public opinion—that is the contents of the minds of the people, their character and their intelligence—which governs their voting and elects their parliaments. In spite of all the guarantees which may be given in any constitution, I suggest that the experience in many, if not all, of the countries that have constitutional guarantees, is that it is the state of judicial opinion, in the light of the state of public opinion, which determines to what extent constitutional guarantees of human rights and fundamental freedoms are to possess reality and effectiveness.

In the poll tax states, for example, the bill of rights written into the American constitution is what the courts of those states say it is, and persons who are guaranteed the franchise by the constitution do not necessarily get it. The constitutional rights possessed by any people are limited by public opinion and by the remedies which are actually available in the courts to enforce those rights. I think that he would be a most naïve and unobservant man who would compare unfavourably the human rights and fundamental freedoms enjoyed by the people of the United Kingdom or Canada under the system of the sovereignty of parliament with those enjoyed by any other people anywhere in the world under the constitutional guarantees of a bill of rights.

There are some other difficulties in this connection, and I do not think that we are honestly approaching this question if we do not face them. There are some offences or alleged offences against human rights and fundamental freedoms which are not breaches of the law which any bill of rights guarantee can prohibit or prevent. They are breaches of ethical personal conduct in that sphere of one's life which, in a free country, is beyond the reach of the law. Suppose, for example, that an otherwise admirable citizen, who is sufficiently eminent that his approval or disapproval is of some consequence, happens to have strong racial views; and suppose

that at a public gathering or otherwise he snubs another man because of his race. The wound here may be infinitely more painful than any from which the law could protect the other man. Yet it is questionable indeed whether any bill of rights could protect against such a wound. Some of the worst cases of discrimination occur in the field of ethics. They are not susceptible to legal solutions, constitutional or otherwise. I suggest that the sooner we recognize them as ethical misdemeanors, the sooner we understand that the only way in which we can cure them is by educational enlightenment and the force of public opinion, the sooner we shall make some real progress in their cure.

Upon the whole, I submit that we have fared rather well in Canada under this inherited principle called the sovereignty of parliament. For a country which, when it began, was a small frontier and an extensive wilderness and is now a larger area of settlement with a large frontier and still quite a large wilderness, the human rights and fundamental freedoms which our people have enjoyed throughout our history, the administration of our justice, the character of our political life, the distribution of our national income even, will compare not unfavourably with those of most other countries in the world. Our treatment of minorities will not compare unfavourably with that of the United Kingdom herself. The law as well as the practice of our federal government and of our provincial governments is democratic. We already enjoy a large measure of political liberty. Ask any Canadian soldier who fought in Europe how we compare in these respects with the nations through which he travelled.

By virtue of the act passed by this government in 1946, Canadian citizenship is now clearly defined; and so far as I know, no race nor creed is barred. Our immigration laws upon the whole are enlightened and just. We have universal franchise for adult men and women, without property requirement of any kind. There is no restriction upon citizens as regards the holding of office. Anyone can start a new political party who can find the people to listen to him and accept his views. There is no limitation upon the views which he may expound. We even permit communists to criticize most severely our own system of government, and some of those who advocate a bill of rights censure us for doing so.

I mention these things, Mr. Speaker, merely to inject a little bit of realism into our consideration of this matter. We certainly should not be smug. Certainly we can improve our position in relation to human rights and fundamental freedoms. I have mentioned these matters because I believe that in a great deal of the discussion which has taken place on this subject, adequate consideration has not been given to the merits of our constitution which is modelled upon that of Great Britain. I suggest that before we change from the British principle of the sovereignty of parliament to a bill of rights similar to that of the United States of America, we must thoroughly understand what we have in order to be very sure that that which we substitute for it is really an improvement.

I must confess, Mr. Speaker, that for my own part it would require much stronger arguments than those which have so far been brought forward to make me think that the superimposition upon our British constitution of a bill of rights in the form advocated by the hon. member for Rosetown-Biggar (Mr. Coldwell) would improve the present protection which we now enjoy. But I am only one citizen of Canada. If there is a majority of my fellow citizens who would prefer to have a bill of rights such as that suggested, I still would venture to suggest that there would be much less confusion if, before attempting to secure it, we should first dispose of another major constitutional issue with which this parliament and the provincial legislatures are now concerned, namely that of agreeing upon a method of amending our Canadian constitution in Canada in matters of joint federal and provincial concern.

Moreover, in relation to the actual enactment of a bill of rights, I think it will be necessary and wise for the government of Canada to confer with the governments of the provinces in this matter. A bill of rights will certainly affect (1) matters of joint concern to parliament and the provincial legislatures; (2) matters which come wholly under federal jurisdiction; (3) matters which come wholly under provincial jurisdiction; (4) matters—and there are a number of them—which in some aspects, such as freedom of speech, freedom of the press and the like, are under federal jurisdiction and in other aspects are under provincial jurisdiction. This being the case, it seems to me that the whole question should be considered in consultation with the provincial governments before the Canadian parliament, by a joint address of the Senate and the House of Commons, requests the parliament of the United Kingdom to enact anything approaching a bill of rights.

There are several good reasons for this. Let me mention only two. The first is one to which I have already referred. Since the

provinces, under the British North America Act, are responsible for the administration of justice, the operation and enforcement of a bill of rights of the American type would be exceedingly difficult, if not impossible, without the full co-operation of the provincial authorities. The second reason is that we are not likely to have such provincial co-operation if we in the federal field take the initiative to impose limitations upon provincial rights and powers without consulting the provincial governments. In considering the amendment—

Mr. Knowles: Before the minister leaves that, would he permit a question?

Mr. Garson: Yes.

Mr. Knowles: Is he in a position to say when it is intended to reconvene the conference of the federal and provincial governments to discuss that very important matter of finding a way to amend our own constitution here in Canada, in all its aspects?

Mr. Garson: No, I am not. I would imagine that there probably would be a consideration of that matter along with the conference on fiscal matters which has been suggested, but I am not in a position to confirm that. That does not come within my sphere of jurisdiction. The amendment of our present British North America Act which has been recommended by the hon. member for Rosetown-Biggar (Mr. Coldwell) in his amendment would, for example, limit the legislative powers of the provincial legislatures under at least four headings of section 92 of the British North America Act. It would limit their powers under heading No. 1, which is:

> The amendment from time to time, notwithstanding anything in this act, of the constitution of the province, except as regards the office of lieutenant-governor.

At the present time this power resides in the provinces. What is proposed by the bill of rights is a series of provisions that would certainly alter the constitution of the provinces. Then it would interfere with heading No. 13, "property and civil rights in the province." It would interfere with heading No. 14, "the administration of justice in the province", and so on, and it would also interfere with heading No. 15, which is as follows:

> The imposition of punishment by fine, penalty, or imprisonment for enforcing any law of the province made in relation to any matter coming within any of the classes of subjects enumerated in this section.

In addition, I should think that the amendments proposed by the hon. member for Rosetown-Biggar would likewise supersede provincial legislation such as the Saskatchewan bill of rights act and the Ontario fair accommodation practices act of 1954.

While, therefore, it would perhaps be possible—and I think this was the point that the hon. member for Winnipeg North Centre (Mr. Knowles) was making—for the parliament of Canada, by a joint address of the House of Commons and Senate, to get the imperial parliament at Westminster to act, by means of that joint address, to impose limitations upon the legislative powers of the parliament of Canada and of the provincial legislatures, I feel certain that such an action would be regarded by the provincial authorities as a federal interference with provincial rights, and that they would certainly feel this way if we were to take that step without any previous consultation with them.

I would suggest that this would be a poor way indeed of securing the necessary co-operation of the provincial authorities in the administration of justice if indeed it did not in other respects set up a regrettable and unnecessary resentment. It is for these reasons that I submit that the steps that the hon. member for Rosetown-Biggar says should be taken to lead up to this bill of rights which he recommends should be steps taken by the federal government in consultation with the provincial governments of Canada.

I certainly wish to thank hon. members, Mr. Speaker, for the patience with which they have listened to me, and I desire to repeat, as I said at the beginning of my remarks this afternoon, that I am not speaking for the government. In my remarks I have attempted to clarify the nature of the problem. If my remarks have contributed to this end, I shall be more than content because that is all that they purport to do.

Mr. Jean-François Pouliot (Temiscouata): Mr. Speaker, the first paragraph of the motion refers to freedom of religion, and it reads thus:

> That, in the opinion of this house, immediate consideration should be given to the advisability of introducing a bill or declaration of rights to assure amongst other rights: 1. Freedom of religion . . .

I am sure that the sponsor of the motion, who is one of our most learned colleagues and one of the ablest lawyers in the house, must know that freedom of religion already exists in this country and has existed for over a century. He must be familiar with the statute 14 and 15 Victoria, chapter 175, passed in 1851, which reads thus:

> Whereas the recognition of legal equality among all religious denominations is an admitted principle of colonial legislation;
>
> And whereas in the state and condition of this province, to which such a principle is peculiarly applicable, it is desirable that the same should receive the sanction of direct legislative authority, recognizing and declaring the same as a fundamental principle of our civil polity:

Be it therefore declared and enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the legislative council and of the legislative assembly of the province of Canada, constituted and assembled by virtue of and under the authority of an act passed in the parliament of the United Kingdom of Great Britain and Ireland, and intituled, an act to reunite the provinces of Upper and Lower Canada, and for the government of Canada, and it is hereby declared and enacted by the authority of the same—

This is the point to which I direct your kind attention.

—that the free exercise and enjoyment of religious profession and worship, without discrimination or preference, so as the same be not made an excuse for acts of licentiousness, or a justification of practices inconsistent with the peace and safety of the province, is by the constitution and laws of this province allowed to all Her Majesty's subjects within the same.

My hon. friend and the other hon. members who have spoken unquestionably know that legislation had the sanction of Queen Victoria. Moreover, it was in the Revised Statutes of Canada of 1859, title 7, religious matters, chapter 74, with the following marginal note which speaks for itself: "Freedom of religion guaranteed by law". This was before confederation, but after confederation this legislation was incorporated in the statute books of the province of Quebec. My references are 1877, chapter 214; 1887, chapter 235; 1925, chapter 198; and the revised statutes of 1941, chapter 307. For the province of Ontario the references are 1877, chapter 214 and 1887, chapter 235. I have not found it in the last revised statutes of the province of Ontario. As it was part of the legislation that united Canada before 1867, and as it has been incorporated in the statute books of Quebec and Ontario respectively after confederation, it shows that it is a provincial matter, even if it is not in the latest edition of the revised statutes of Ontario.

Now, Mr. Speaker, the hon. gentleman quoted the opinions of the leaders of some churches to the effect that we should have a bill of rights. Probably they had not been informed that such legislation existed, otherwise they would have made their representations to the competent authority which, in this case, is the province of Ontario and the other provinces. A friend of mine told me that similar legislation exists on the statute books of Nova Scotia, but I did not have time to verify that fact. It may be so. This is purely a provincial matter; it is a matter of civil rights.

The matter of religious freedom being established and guaranteed by law, let us look at the other freedoms. The other freedom mentioned by the sponsor of this motion was the freedom of speech. This is a relative matter. What constitutes freedom of speech? My hon. friend has too much experience to contend that freedom of speech is boundless. It is not, because after he had spoken for 40 minutes he was interrupted. The rule prevented him from speaking longer than 40 minutes, but unanimous consent was given to let him proceed further. The same privilege was made available to some other hon. gentlemen.

Now, there are other things, too. One cannot use bad language with regard to Her Majesty or the royal family, or with regard to our colleagues in the house. Sometimes we go to extremes. It is seldom that the freedom of speech of any individual is questioned when he is abiding by the rules. Of course no one ever suffered more than I did, personally, in so far as my fundamental freedoms and human rights were concerned. I thank my friends the hon. members for Winnipeg North Centre (Mr. Knowles), the leader of the C.C.F. party (Mr. Coldwell), and the hon. member for Cape Breton South (Mr. Gillis), among others, for offering to come to my rescue in some difficult circumstances. But the hon. member who sponsors this motion concerning freedom of speech did not come to my rescue. I would have been glad to have had his assistance.

I had some difficulties in this house. I was abiding by the law, but the interpretation of the law was different. I thought the hon. member would come to my rescue with his eloquent voice in order to have my rights restored and my fundamental freedoms unimpeached. Unfortunately it did not happen in that way.

Mr. Knowles: We do not have the eloquence, we just love you.

Mr. Pouliot: He was preparing a speech on some other matter which was of more importance to him at that time than the question of freedom of speech.

I have just checked the record, Mr. Speaker, and noted that in the year 1947-1948 there were numerous sittings of the committee on human rights. My hon. friend shone by his presence and was missed very much when he did not attend the sittings. Upon looking at the record for 1947 I find he attended two sittings of the committee and missed six. In 1948 he attended three and missed ten. This is unfortunate, because if he had attended all the sittings of the committee the report would have been much more conclusive as a result of his experience, and perhaps now we would have legislation on human rights and fundamental freedoms. This is a fact.

We have spoken about freedom of speech, and there is freedom of the press. Freedom of the press is another thing that is very interesting. When I was in London in 1937, at the time

of the coronation, I recall that the press imposed censorship upon itself on news concerning the Duke of Windsor and his marriage. There was no regulation, but they thought the atmosphere existing at the time did not permit the press to give some of the details about the marriage and wedding trip of the Duke of Windsor. Now, that was a curtailment and it was self-inflicted. Is my hon. friend so sure that the press is free? It is not, and no legislation can change it because the press is the mirror of the views of its owner.

What newspaper is free from its own owner? I ask my hon. friend that question. With his wide experience he knows quite well that if the owner of a newspaper is in favour of a certain thing, that newspaper will not speak against it; otherwise the editor will be fired. He knows it. What law can change it? How can he change the relations that exist between the owner of a newspaper and his editor? Naturally, some owners of newspapers are more broadminded than others. It happens sometimes. There is a time when they may say to the editor, "Stop", or "Go". My hon. friend, with all his learning and with all the fine speeches he has made about freedom of the press, cannot change it.

Now, the press is not free from the advertisers. For instance, an advertiser who pays for a full page daily advertisement deserves recognition by the newspaper that prints his advertisement. Can my hon. friend deny it? Can anyone deny it? This is a tie; this is a string. This string may become a big, strong, powerful cable. Can my hon. friend change it? No, sir, he cannot. And when we begin to analyse his motion we see that while it is wonderful theoretically, in practice it is hard to apply.

And then, as to radio, I happen to be in different places, and on one occasion I attended the silliest thing I have ever seen. It was a conference of the Canadian Bar Association on the uniformity of law. Does my hon. friend know about it? Well, I was there, and all the attorneys general of the provinces were there. Some were asleep; some were awake.

Mr. Knowles: The former were as bright as the latter.

Mr. Pouliot: Their idea was to pass the same resolutions again and again a week before the Canadian Bar Association met. This meant that the attorneys general and the small fry of their departments were to have an extra vacation of one week before the convention to discuss the same matter. Always platitudes. On this occasion, referring to radio, they passed draft legislation of the kind my hon. friend uses in his motion. It was to the effect that when someone speaks over the radio and in doing so is guilty of slander, the one who speaks is not to be held responsible but that the radio station must accept responsibility. That draft legislation was adopted by the committee on the uniformity of law, but it was never passed by any legislative body.

Then, as to habeas corpus, my hon. friend should not be concerned about that. When habeas corpus is abrogated or suspended, otherwise than by immediate legislation, it is in virtue of an act of emergency powers passed by parliament because of particular circumstances, where the state could be in danger. But I will add something to that. I wish to convert my hon. friend to my views. I will tell him honestly that he is such an able lawyer that habeas corpus would have no importance to his clients. There is no one he could not get out of jail, and that would settle the question.

I have taken some notes, one of which relates to the Canadian Daily Newspapers Association. The hon. member for Prince Albert referred to the case of Mr. Blair Fraser, and made a fine dissertation about the examination for discovery. That was a civil case; it was not a criminal case. And as it was a civil case it came under the jurisdiction of the provinces. Ottawa had nothing to do with it, and my hon. friend knows that better than anyone else.

Then he mentioned the names of a few illustrious sponsors of a draft bill of rights. They are great men in this country. Opinions are free; but they spoke like philosophers or dreamers, and they did not mention a fact. They were speaking theoretically and in an academic fashion. My hon. friend, who is realistic and a man of action, took the trouble to transcribe in longhand some of those utterances. I cannot understand them.

Is it true, sir, that we value freedom less than we did 50 years ago? We value it more, because this country has reached the point where there is no other country that offers greater freedom than Canada. But some people speak about more freedom. Where does freedom stop? It would be very interesting to know that; because on the one hand, where freedom is not limited my hon. friend and others who think as he does can rise when they feel like it and speak in support of human rights and fundamental freedoms. But, outside of fair limits, limits sanctioned by law, can they come to the defence of one who has exceeded those limits?

In order to discuss the matter properly my hon. friend should tell us what the limit

is. He should tell us where liberty and freedom end and where licence begins. The hon. member was fair in that respect, but he was not clear enough. He said that free speech is not licence, and I agree with him on that. He said that anyone who speaks becomes subject to punishment when his words strike at the security of the state, the rights of others or are blasphemous. And I agree with him on that. But on the other hand this statement is a denial of the first part of his argument.

I would like him to explain—and he can do so—who can complain, if they have struck at the security of the state and the rights of others, or have been blasphemous. It is a very difficult matter, and no one realizes it better than the hon. member.

I took careful note of what he said when he asked this: Who denies the right whereby ideas may be tried before the bar of public opinion? Nobody denies it. My hon. friend is free to say anything he likes to the people. They can listen to him; they can approve of what he says or they can disapprove. They have the same right to be free as he has. When has my hon. friend been prevented from submitting ideas to the bar of public opinion? Never. This is an exaggeration of language.

He said that we already have a bill of rights in the British North America Act. He referred to the Saumur case and quoted Bora Laskin, a professor at the University of Toronto. I am not familiar with the top jurists of the University of Toronto. As I say, my hon. friend referred to the Saumur case and the various opinions expressed by the justices of the supreme court. Mr. Bora Laskin says that this extraordinary division of opinion creates a result that is as curious as it is unsatisfactory.

Then my hon. friend suggests that his draft bill be submitted to the supreme court. How can he suggest that when he quotes and takes as his own an opinion expressed by a Toronto professor to the effect that the decision of the supreme court in a similar case was as curious as it was unsatisfactory. Then he insists upon a parliamentary committee.

I appeared before the parliamentary committee on human rights and fundamental freedoms. Along with two of my colleagues I had been abused. One colleague is still living but the other, my good friend Mr. Church, the hon. member from Toronto, is dead. We were abused because we did not share the views of a certain editor regarding the United Nations. That editor employed language which would have been considered unparliamentary. I appeared before the committee on July 4, 1947, to ask that it redress a wrong and restore my fundamental freedom and give me back my human rights. But I found the committee impotent. They told me their reference from the house did not cover that. I found out that a committee which had been set up by this house was not able to protect the liberty of a member of the house who had been abused by the press. What is the use arguing any longer? That is enough. I am fed up with it. I shall vote against the motion and the amendment.

Mr. F. D. Shaw (Red Deer): Mr. Speaker, there are two things I should like to make abundantly clear right away. First, I would not want to have it construed that our lateness in participating in this debate results from any lack of interest. We had good reason to believe that we would have an opportunity to express our opinion earlier in the day. We feel that in a debate of this kind, particularly where the time is limited, each party in the house should have an opportunity to express its views.

In the second place, I shall not allow myself to be put in a position where it can be said that I talked out the resolution. I shall conclude before ten o'clock even though it means stopping in the middle of a sentence or even in the middle of a word. We are not endeavouring to talk out this resolution. We are interested; we have certain convictions which we are prepared to express, and we are prepared to take a position if and when a decision is rendered by this house on this resolution.

When the house commenced the debate this afternoon we were dealing with resolution No. 8, which is made up of four specific sections. In lines 3 and 4 appear these words: "assure amongst other rights"; and then at the end of the resolution is a paragraph relating to the advisability of submitting for an opinion of the Supreme Court of Canada the question as to the degree to which fundamental freedoms of religion, speech and of the press and the preservation of the constitutional rights of the individual are matters of federal or provincial jurisdiction.

To us that resolution was all-embracing. However, the hon. member for Rosetown-Biggar moved resolution No. 16 as an amendment to resolution No. 8. Resolution No. 16 in our view is not one whit broader than resolution No. 8. It is couched in slightly different language. It asks for an amendment to the constitution, whereas resolution No. 8 merely calls for the enactment of a bill or declaration of rights. By virtue of his seconding of the amendment to resolution No. 8 the hon. member for Spadina (Mr. Croll) has agreed in effect that resolution No. 8 as amended contains that which is incorporated

in resolution No. 10. So actually and in effect we are dealing with the subject matters as set forth in three resolutions.

We find that there is a very specific difference of opinion in Canada with respect to this particular matter. I am sure there can be no difference among the membership of this house with respect to the desirability of preserving the freedoms as set forth in the resolution or the amendment. I am quite confident that no hon. member of this house is going to object to clause No. 1 which is designed to guarantee freedom of religion, freedom of speech, freedom of the press and of radio. I am sure that if a vote were taken and all hon. members of this house were to express themselves they would indicate approval of that section.

Section No. 2 states that habeas corpus shall not be abrogated or suspended except by parliament. I am quite sure that no one will disagree with that.

Then the next paragraph states that no one shall be deprived of liberty or property without due process of law, and in no case by order in council. I am not going so far as to say they would all agree with that. We have already heard the Minister of Justice (Mr. Garson) say in effect that he could not agree with the latter part of it. To me the general principle set forth in that section is one that could be supported.

Then the next paragraph states that no tribunal or commission shall have the power to compel the giving of evidence by anyone who is denied counsel or other constitutional safeguards. In the amendment we find slightly different language. It states:

(a) abridging freedom of speech and expression or freedom of religion, or of the press or other means of communication or the right of lawful assembly, association or organization.

I am sure a majority of us, anyway, agree with that clause, and so it goes through the entire amendment; but we find ourselves, interestingly enough, in agreement with a good deal of what was said by the Minister of Justice.

In my own approach to this amended resolution I must ask myself this question: Do you believe in the right of the provinces to exercise their jurisdiction as laid down by the British North America Act? Well, certainly I do, Mr. Speaker, and for the life of me I cannot understand how the government of Canada could bring in legislation and the parliament of Canada approve it and cover all the guarantees set forth in this legislation without invading fields which are set down clearly and definitely today as being, if not in whole in every case, at least in part within the jurisdiction of the provinces. To my mind action of that kind could easily precipitate civil war in the country.

Until such time as a formula is found by which we can amend our own constitution here in this country, this kind of procedure would be extremely dangerous. I can envision what stand many of the provinces of this country would take if such legislation were enacted. In fact, if we have had any difficulties in our relationships prior to this time, certainly we would have real ones if action of this type were taken.

I certainly do not want it thought or said that by virtue of having taken that position one might be in disagreement with certain very desirable objectives in the resolution before us. I for one have examined these resolutions carefully. I have followed them from the time they first appeared on the order paper; I have secured all available information, and certainly feel in the first place that I would agree with the general principles as laid down, if I cannot agree with the method of bringing them about.

As I said a moment ago, Mr. Speaker, I agree with much of what the minister has said. There are many Canadians who feel that our approach should be such as was made in the United States of America. There are other Canadians who feel that the United States of America, with its bill of rights, with certain other constitutional guarantees so-called, is a classic example of where they have altogether too many of the things we are trying to prevent.

As a matter of fact, their bill of rights in the United States has not offered the guarantees of freedoms that so many persons assumed would naturally follow from the passage and implementation of certain legislation. In my opinion it takes far more than legislation. Heritage and tradition play an extremely important part in this field, particularly in relation to the matter of colour, creed and race. I am inclined to the belief that if a person is determined to engage in discrimination on the basis of race, colour or creed, he is going to do it and he is going to get away with it regardless of whatever legislation there may be on the statute books.

By virtue of heritage and tradition, by virtue of good common sense on the part of our people, there has been the minimum of that type of discrimination in this country. I will admit there has been some discrimination, but there are too many persons who are too anxious to magnify it out of all proportion to its importance. As a matter of fact, owing to the publicity that has been given to it, it has actually caused further discrimination that might never have taken place had it not been for the publicity and attention given to it.

Human Rights

We who live in this country are extremely fortunate. We can stand to the rest of the world as a wonderful example of a country in which so many of these freedoms are enjoyed by so many people. It is true that governments have been responsible from time to time for encroaching upon certain freedoms of the people; but, as the minister asserted, we have our parliament and we have public opinion, both of which are very potent factors in a matter of this kind.

After looking at resolution No. 10 on the order paper and noting the reference to the United Nations declaration of human rights, and also the reference made to it by the hon. member for Spadina (Mr. Croll), and to the fact that Canada actually endorsed it at the United Nations, I am sure it was intended to offer guarantees to the people of other countries to make them feel that there was a future, rather than for our own country and to any need that might exist within it.

We feel that this whole matter could be considered by the federal authorities dealing with the provincial authorities; but personally I would be very much opposed to our trying to do everything by legislation when so much depends upon good sense and the education of our own people. In that connection, very recently I had occasion to offer the suggestion that probably our schools, churches, service clubs and other organizations within the nation could do considerably more than they are doing now or have done in the past to remove any desire on the part of the people to engage in discrimination based on race, colour or creed. As I say, there may be sections in the country where this sort of thing is indulged in to a greater extent than in others, but in my experience there has been an absolute minimum of it.

The minister referred to the fact that they have legislation in the United States. He also referred to the fact that the communist party itself has pressed hard for such legislation. When he said that I was reminded of the fifth amendment. The fifth amendment was designed originally, I presume, to give protection to honest citizens, but we know to what extent it has been used by communists in the United States to serve their own ends and protect themselves while engaged in their nefarious practices. I could not help but recall that at the very moment the minister made his assertion.

I wanted to refer to a number of things, Mr. Speaker. Four or five different speakers have referred today to what they called the press bill or the press act of Alberta. Had time permitted I fully intended to deal with that act, which was not a press act at all or press bill. It was the accurate news and information act of 1937. Because I do not think it has ever been done, I had intended to indicate to the house the exact circumstances under which such legislation had come into being. I intend to do that at a later date, but I could not do it now without being guilty of the very offence that I said I did not want to be guilty of.

Once again, and in conclusion, may I say that we find no fault with this parliament and the provinces of Canada laying down procedures, if they are acting within their own jurisdiction, as a contribution toward the preservation of certain freedoms, or of all freedoms, as a matter of fact. But we cannot agree that the method of procedure should be as set down here, because it would be done in utter defiance of what we have all, I believe, in this house asserted from time to time, namely our conviction that the rights of the provinces as set forth under the constitution should be respected and honoured.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I appreciate the fact—as I am sure do all hon. members—that the hon. member for Red Deer (Mr. Shaw) has concluded in time for a vote to be taken on this motion. I assure you that I also intend to compress my remarks within a brief compass so as still to leave that time.

I am going to deal with one question only, namely the position in which we find ourselves as a result of the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell), who has in effect eliminated most of the operative words of the motion of the hon. member for Prince Albert (Mr. Diefenbaker) and has substituted therefor the positive proposal to amend the British North America Act by adding three specific sections.

In the past on frequent occasions we have stated our position as being one of respect for the constitution. The hon. member for Prince Albert, who introduced his motion, referred to the difficulties of deciding, particularly in the uncertain state of the jurisprudence on the matter, just what are the rights of the dominion parliament and what are the rights of the provincial legislatures. Therefore as a preliminary step he suggested the reference of the whole matter to the Supreme Court of Canada to decide what parts of his suggestions lay within dominion competence and what lay within provincial competence.

In his amendment the hon. member for Rosetown-Biggar has eliminated that suggestion. We are therefore placed in the position that in effect we are being asked to decide this matter for ourselves. I fully agree with the hon. member for Red Deer that in any decision of this sort we must respect the position of the provinces. We have therefore

decided that we would support the amendment of the hon. member for Rosetown-Biggar in a vote, on one understanding and one understanding only. The preliminary words of his amendment make the motion read as follows:

> That, in the opinion of this house, immediate consideration should be given to the advisability of the taking of whatever steps are necessary to amend the British North America Act so as to include therein the following headings and sections:

And then follow the operative words. We will support his amendment with the reservation that those words will be taken as meaning that the matter will be submitted to the Supreme Court of Canada for decision and determination by that court, as one of the necessary steps to amend the constitution, of the extent to which the proposed amendment lies within the competence of the dominion parliament. Because we feel in principle that a bill of rights is necessary, we intend to support the amendment; but because we feel that the respective rights of the provinces must be maintained, we say we support it on the condition that one of the necessary steps be the preliminary submission of the whole question to the Supreme Court of Canada.

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, I do not want to prevent the vote. I merely say that I do not think it is within the competence of anyone to say that the amendment means something except just exactly what it says. However, I am sure I am speaking for the hon. member for Rosetown-Biggar when I say that he would be perfectly agreeable to the suggestion made by the hon. member for Kamloops (Mr. Fulton).

Some hon. Members: Question.

Mr. Pierre Gauthier (Portneuf): Mr. Speaker, there cannot be any question of taking the vote tonight, because I have too many things to say on the amendment and on the main motion. One of those things is that I cannot accept a declaration of rights like the one which was contained in the universal declaration of human rights by the United Nations. Article 16 reads as follows:

> Men and women of full age, without any limitation due to race, nationality or religion, have the right to marry and to found a family. They are entitled to equal rights as to marriage, during marriage and at its dissolution.

Consequently they accept divorce in their declaration of human rights. That is something I cannot accept. I am asking myself this question.

Mr. Winch: Make sure you get a good answer.

Mr. Gauthier (Portneuf): Don't worry; the answer may be as good as any you can give. I ask myself whether it would be infringing upon the rights of the two provinces which do not want any divorce court within their boundaries. I refer to Newfoundland and Quebec. I ask myself whether it would not be infringing on their rights if, by a vote of the federal parliament, we were to impose upon them a divorce court, whether it be the exchequer court or any other court.

Mr. Knowles: That is not included in the motion before the house.

Mr. Gauthier (Portneuf): No, but it is a question of human rights just the same. I am asking myself that question, and I have a right to do that. It is a pertinent question to ask.

Mr. Winch: As I expected, you got a foolish answer.

Mr. Gauthier (Portneuf): I never thought that my friend was so good a judge of good sense or bad sense.

An hon. Member: He has never proved it.

Mr. Gauthier (Portneuf): No, he never did.

An hon. Member: They never do.

Mr. Gauthier (Portneuf): I think the declaration made by our Secretary of State for External Affairs (Mr. Pearson) was good when he said this at the United Nations:

> I wish to make it clear here, . . . that, in regard to any rights which are defined in this document,—

That is the declaration of human rights.

> —the federal government of Canada does not intend to invade other rights which are also important to the people of Canada. By this I mean the rights of the provinces under our federal constitution.

I never heard anyone here say that the Secretary of State for External Affairs is not a man of good sense. The quotation continues:

> We believe that the rights set forth in this declaration are operated and well protected in Canada. We shall continue to develop and maintain these rights, but we shall do so within the framework of our constitution which assigns jurisdiction in regard to a number of important questions to the legislatures of our provinces. Because of these various reservations on details in the draft declaration the Canadian delegation abstained when the declaration as a whole was put to the vote in the committee.

An hon. Member: Ten o'clock.

Some hon. Members: Question.

Mr. Knowles: Saved by the clock.

Mr. Gauthier (Portneuf): I can go on if you want me to. Maybe I can speak in French.

Mr. Deputy Speaker: Order. It being ten o'clock I do leave the chair.

Special Committee on Procedure

HOUSE OF COMMONS

PERSONNEL OF SPECIAL COMMITTEE ON PROCEDURE

Mr. Harris: Before you leave the chair, Mr. Speaker, may I have the unanimous consent of the house to revert to motions in order to correct a minor error that was made in a motion some days ago. I have explained it to some of my hon. friends and I think they agree.

Mr. Deputy Speaker: Has the minister leave to revert to motions at this time?

Some hon. Members: Agreed.

Mr. Harris: In the motion which was passed on Monday, January 17, constituting the committee on procedure, at that time the following words were omitted: "notwithstanding the provisions of standing order 65". By way of explanation I may say that means that the members who were appointed at that time to sit on the committee were in excess of the 15 provided by that standing order. Therefore I ask leave to move that those words, "notwithstanding the provisions of standing order 65", be added to the motion which was then made by the hon. member for Portage-Neepawa (Mr. Weir).

Mr. Fulton: Retroactive?

Mr. Harris: Yes.

Mr. Knowles: Do you not have to give notice of this motion as required by standing order 65?

Mr. Harris: No, I took it for granted my hon. friend would be agreeable on this occasion.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall call the motion in the name of the Prime Minister under government notices of motions with respect to a committee to consider estimates. Then we shall resume debate on the second reading of Bill No. 3, respecting the construction, etc., of river improvements; then Bill No. 4, and then the resolution standing in the name of the Minister of Trade and Commerce with respect to certain amendments to the Canada Grain Act.

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

HOUSE OF COMMONS

Tuesday, February 8, 1955

The house met at 2.30 p.m.

CIVIL DEFENCE

AGREEMENT ON ENLARGED PROGRAM FOR PROVINCE OF ONTARIO

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I should like to inform the house that agreement has now been reached between the federal government and the province of Ontario which will result in an enlarged and accelerated civil defence program in that province in the coming year. Announcement of this co-operative undertaking is being made simultaneously in Toronto today by the Hon. W. M. Nickle, the provincial secretary and new minister in charge of the province's civil defence preparations.

For some time now financial aid for civil defence purposes has been made available directly by the federal government to assist municipal civil defence organizations in their efforts at the local level. As a result of the agreement now reached with Ontario, provincial as well as federal funds will now be made available to municipal civil defence organizations.

Federal funds under this arrangement, when fully matched by provincial and municipal contributions, will result in a total of approximately $1,200,000 available for civil defence expenditure at the municipal level in the province of Ontario in the coming year.

One-half of this total amount will be provided by the federal government to help finance civil defence undertakings submitted by the municipalities concerned and approved by the appropriate provincial and federal civil defence authorities.

To supplement the federal grants to these undertakings, the province of Ontario, in accordance with the agreement, will contribute to the cost of these same approved civil defence projects submitted by participating municipalities an amount equal to one-half the federal contribution. As a result, for approved municipal defence expenditures, 50 per cent of the costs involved will be contributed by the federal civil defence authority, 25 per cent by the provinces, while the local authorities will be called upon to contribute 25 per cent of the total expenditure.

In addition, further funds are available from the federal government to match provincial civil defence expenditures on the organization of civil defence services at the provincial as distinct from the municipal level. These federal funds, when matched by equivalent provincial contributions, will result in further expenditures in the year to come. Therefore, a total of at least $1,400,000 will be available in Ontario this year for the development of adequate civil defence at the provincial and local levels.

It should, of course, be pointed out that the federal contribution to the development of civil defence in Ontario is substantially greater than the amounts which I have mentioned. These amounts take no account of the million-dollar hose-coupling standardization program, to which the federal government contributes one-third; nor do they include provision for the civil defence compensation agreement, nor for the substantial amounts of equipment and material—fire pumpers, rescue vehicles, and other items—which have been supplied exclusively at federal expense to civil defence authorities in the province. These federal expenditures, including, for example, the moneys spent for medical stockpiling and earmarked for Ontario, are considerably greater than the amounts provided by the provincial and local civil defence authorities from their own budgets.

I should like at this time to express my satisfaction at this important development which is bound to stimulate civil defence activity, not only in the province of Ontario but throughout the whole of Canada.

The present agreement arises out of discussions which I held with Premier Frost of Ontario, whose personal contribution to the successful completion of these arrangements I should like to acknowledge at this time.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the minister if he would clarify a point for me. Do I understand from the announcement that the same arrangement as is now concluded with the province of Ontario will be available, if so desired, for all the other provinces?

Mr. Martin: Every province now has a similar agreement with the federal government except the province of Quebec.

CUSTOMS TARIFF

TABLING OF REPORT OF TARIFF BOARD ON WOOL CLOTH INDUSTRY

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I should like to table the report of the tariff board with respect to the Canadian wool cloth industry and the record of the proceedings before the board.

PUBLIC BUILDINGS

WINNIPEG POST OFFICE—TABLING OF CONTRACT

Mr. Maurice Bourget (Parliamentary Assistant to the Minister of Public Works): Mr. Speaker, in accordance with the request made by the hon. member for St. Boniface (Mr. Viau) on January 18, 1955, I should now like to table a copy of the contract between the government of Canada and the Foundation Company of Canada Limited with reference to the construction of the Winnipeg post office.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 23, for the relief of Maxine Samuels Resseguier.—Mr. Hunter.

Bill No. 24, for the relief of Ginette Monique Cornu Lebegue.—Mr. Hunter.

Bill No. 25, for the relief of Eugen Hartberg.—Mr. Hunter.

Bill No. 26, for the relief of Joseph Pierre Emile Jasmin Rheaume.—Mr. Hunter.

Bill No. 27, for the relief of Elizabeth Jane Marcelin Belanger.—Mr. Hunter.

Bill No. 28, for the relief of Hugh McCrone Dunsmuir.—Mr. Hunter.

Bill No. 29, for the relief of Hazel Winifred Edwards Welcher.—Mr. Hunter.

Bill No. 30, for the relief of Joan Audrey Baur Walker.—Mr. Hunter.

Bill No. 31, for the relief of Pauline Alice Leduc Sponagle.—Mr. Hunter.

Bill No. 32, for the relief of Lillian Greenberg Seligman.—Mr. Hunter.

Bill No. 33, for the relief of Marie Antoinette Demers Vigeant.—Mr. Hunter.

Bill No. 34, for the relief of Yoneyuki Watanabe.—Mr. Hunter.

Bill No. 35, for the relief of Leslie Sutcliffe.—Mr. Hunter.

Bill No. 36, for the relief of Rita Ursule Labadie Huot.—Mr. Hunter.

Bill No. 37, for the relief of Evangeline N. Rodinos Zolotas.—Mr. Hunter.

Bill No. 38, for the relief of Maria Lutz Kaczmarek.—Mr. Hunter.

Bill No. 39, for the relief of Clare Taylor Belanger.—Mr. Hunter.

Bill No. 40, for the relief of Jean Claude Robitaille.—Mr. Hunter.

Bill No. 41, for the relief of Ida Meitin Wooden.—Mr. Hunter.

Bill No. 42, for the relief of Fleur-Ange Francoeur Therrien.—Mr. Hunter.

Bill No. 43, for the relief of Maria Christina Vettore Austin.—Mr. Hunter.

Bill No. 44, for the relief of Roland Lefebvre.—Mr. Hunter.

Bill No. 45, for the relief of Augustine Denonville Leclere.—Mr. Hunter.

Bill No. 46, for the relief of Mary Therese McSheffrey Richard.—Mr. Hunter.

Bill No. 47, for the relief of Pierrette Marsan Short.—Mr. Hunter.

Bill No. 48, for the relief of Greta Irene Kokko Marchand.—Mr. Hunter.

Bill No. 49, for the relief of Yolande Segatore Grandillo.—Mr. Hunter.

Bill No. 50, for the relief of Annie Laker Gillen.—Mr. Hunter.

Bill No. 51, for the relief of Juliette Bertha Langlois Miller.—Mr. Hunter.

Bill No. 52, for the relief of Arthur Johnston.—Mr. Hunter.

Bill No. 53, for the relief of Bela Antal Kelecsenyi.—Mr. Hunter.

Bill No. 54, for the relief of Joseph Roger Gerard Doucet.—Mr. Hunter.

Bill No. 55, for the relief of Elsie Amelia Armistice Wood Lavoie.—Mr. Hunter.

Bill No. 56, for the relief of Joseph Rene Romeo Lafrance.—Mr. Hunter.

Bill No. 57, for the relief of Gweneth Leslie Clarke Atkinson.—Mr. Hunter.

Bill No. 58, for the relief of Muriel Claire Wilson Hart.—Mr. Hunter.

Bill No. 59, for the relief of Violet Doris Hubbard MacGregor.—Mr. Hunter.

Bill No. 60, for the relief of Christina Mellis Campbell Squires.—Mr. Hunter.

Bill No. 61, for the relief of Katharine Hamilton Ellis Bishop.—Mr. Hunter.

Bill No. 62, for the relief of Sheila Kathleen McNaughton Best.—Mr. Hunter.

Bill No. 63, for the relief of Pearl Mendelson Markus.—Mr. Hunter.

Bill No. 64, for the relief of Mary Leona Dalton Dawe.—Mr. Hunter.

Bill No. 65, for the relief of Ethel Tietlebaum Segal.—Mr. Hunter.

Bill No. 66, for the relief of Sheila Mary Power Stone.—Mr. Hunter.

HOUSE OF COMMONS

APPOINTMENT OF SPECIAL COMMITTEE TO CONSIDER CERTAIN ESTIMATES

Right Hon. C. D. Howe (Acting Prime Minister) moved:

That a select committee to be designated be appointed to consider such of the estimates as may be referred to it and to report from time to time its findings and recommendations to the house.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I am informed that this is the first government motion of its kind which has been made since confederation, and that if it is carried we shall have established a new method of dealing with the estimates as they are submitted in the blue book.

On the other hand, it is not the first time that the subject has been discussed in parliament. I have no doubt that there were discussions in the early days. I find that at least as far back as 1921 a formal motion was presented to the house for a committee of this kind to consider the estimates and that, as one would expect, that motion was made by a member of the party to which I happen to belong. Of course, in the years since the world war there has been repeated discussion on the subject and in each of the committees on procedure which have been set up we have had extensive talks as to the method by which to bring about a better way of dealing with the estimates. If hon. members are interested, they would have noticed that the 1947 committee recommended that we adopt in general terms the system obtaining in the United Kingdom. To adopt any different system from that which has been obtaining in the committee of supply raises serious questions of practice. After all, if parliament meets for one thing only, I think it could be said that that thing would be to vote supply for the purposes of the government for the following year.

Mr. Fulton: Or, in the alternative, to withhold it.

Mr. Harris: Or to withhold it, as my hon. friend says. Lest one should think that I have not other matters in mind, may I say that of course we meet here to preserve the liberty and the freedom of the citizen. Nevertheless, if the government did not have legislation to present to parliament and if you can imagine a state of society in which there would be no other matter to be debated, we would still have to consider the estimates and either vote them or reject them. It therefore might be supposed that the consideration of expenditures in parliament would take a good deal of our time. Over the years I think we have found that we take about one-fifth to one-third of the time of parliament in considering the estimates. This time is spread out in the normal session from early in February until the final day, as a rule, on which we sit.

There has grown up in the country an impression that during the final week, and especially on the final day, it has been our custom to pass large sums of money at a rate which is not in accordance with the seriousness of the subject. To my mind that opinion is false; but unfortunately it is fostered by members in the house who, in my view, do not take the trouble to consider the amount of time we put in on estimates early in the session. I think it is true that in the last week of the session before last we passed about $800 million. It is equally true that we passed all the other expenditures in the preceding eight or nine weeks during which we had been considering them. Both because the facts do not bear out what they say and also because I think it proper that parliament should not depreciate its own value, I suggest to hon. members that we should have a second look at the oft-repeated statement that we put through estimates in a scandalous manner in the last few days of the session.

The arguments that are usually advanced in favour of a different method of dealing with the estimates are these: First, in order to avoid what I have already mentioned is the false impression of the speed with which we deal with these things in the last few days of the session; second, that hon. members do not have in committee of supply sufficient time to cross-examine a minister until they obtain the information they have in mind. I have been spoken to by many members who say they do not feel like monopolizing the time of the minister or of the committee and that they are therefore constrained not to take too long at any one time on a subject in which they are vitally interested. The third reason is—and it is a natural consequence of that—that if there was more time there could be better informed and more critical statements made about government policy and about a particular department in which an hon. member may be interested. I think we all agree as to the desirability of that objective. Government policy will be that much better in proportion to the good criticism which is directed towards it. I do not think any government wants to have passed through this house something in the order of $5 billion without careful scrutiny, careful thought and intelligent criticism. We have had some experience in dealing with expenditures of this order in the recent ten

or fifteen years. During the war we had a war expenditures committee; and since the war we have had a number of defence expenditure committees. These committees have served certainly two useful purposes and perhaps more. One on this side of the house cannot help saying that, despite all the sittings and all the work which was done, none of the committees turned up anything which was really detrimental to the manner in which the government had been spending the public money.

Some hon. Members: Oh, oh.

Mr. Fraser (Peterborough): Because they could not get information.

Mr. Harris: Second, the committees served as a useful warning to those who might take advantage or think they could take advantage of the haste which was a necessary part of government activity in a time of emergency. There are other reasons, of course, and other useful results flowed from those committees. I know that hon. members are well aware of them. But these committees dealt with large sums of money. Even now they deal with almost one-half the budget when they examine the affairs of national defence. We did not think it necessary at that time to consider the ordinary departmental estimates in a committee similar to that which had considered the war expenditures.

The whole question seems to resolve itself into divided opinions as to what the committee would do and what it might add to the deliberations of the committee of supply. Most members start off with the assumption that this committee will be in addition to and not by way of substitution for the committee of supply and will therefore perhaps only be an added burden to the activities of parliament. Even those who do not hold that view think that, whatever the committee does, we could not possibly have in that committee any different position from that which we have in the committee of supply, namely that the minister of a department concerned will be responsible for the conduct of the affairs of his department before that committee.

I think I should say a few words, Mr. Speaker, about the systems in the United Kingdom and in the United States and then indicate in what respect I think we ought to follow them, if at all. In the United Kingdom they have what they call an estimates committee but what, according to my reading of the record, would be something between an estimates committee and a public accounts committee as we understand it in Canada. The committee consists of 36 members, of which only 7 constitute a quorum. But they divide themselves into subcommittees and the subcommittees do the actual preliminary work. The committee examine officials of all departments concerned, but it should be noted that they do not go through the estimates as we understand them. Rather they select one item in the estimates which is a matter of public interest and they prepare a quite comprehensive report about it. I have in mind one of two or three years ago on overseas broadcasting. The item ran, I think, to about four million pounds. The report itself is 27 pages long of printed material and the evidence and the appendices run to another 145 pages. It will be seen that this kind of committee takes far more time to consider estimates than we have in mind in this house. That particular subcommittee, as I remember it, was appointed in November and brought in its report the following July just on one item in the estimates of a particular department and not on any other item in that or any other department. The committee has authority to sit not only when the house is sitting, which is rare in the United Kingdom, but to sit as well when the house is not in session at all. They have even gone as far afield as central Africa on one occasion to examine into a particular matter of concern there.

Looking through the *Hansard* of the United Kingdom, I found that in the period from 1946 to the end of last session only on three occasions were reports of the estimates committee considered in the committee of supply of the United Kingdom parliament. I realize that the reports would appear in the journals, but the point I am making is that they were not debated in the house except on those occasions I have mentioned. It may be that I missed one in the index but I think I covered them fairly thoroughly. Two of these debates were only side issues, so to speak. Only one of them was a full-dress debate and it concerned school buildings in the United Kingdom and was originated by one of the opposition members at the opening of one of the allotted days for supply. I am not suggesting that the reports are not useful. On the contrary, I am sure they are. I am sure that the committees do put on the record a great deal of useful information. I am sure that the members who serve on the committee are better qualified to deal with the departments when they consider them, and I am also sure that the minister of the department concerned has his mind refreshed on his problems and probably has useful advice and information given to him about the work he should be carrying on. On the other hand, I have stated the position as I see it and I am quite sure that that kind of activity is not what

we have in mind in Canada at the moment when we speak of an estimates committee.

In the United States I think hon. members know that the appropriations committees of congress have vested in them authority to deal with appropriations. It is true that the executive makes recommendations to the committees, but I would suggest that over the years that congress has been functioning it is highly unlikely, except on occasions of emergency, that you will find an appropriation bill that was sent to the committees which did not have some change made in it before it became law. The committees, as I say, have this authority vested in them by law, and automatically they examine officials of departments, cabinet ministers and even persons outside the public service.

I mention that only to point out the distinction there and to say that I do not think for one moment that in the parliament of Canada, having in mind our constitutional arrangements, having in mind our belief in the theory of cabinet government supported by a majority in the house and taking responsibility for expenditures, we would want here to devolve into the hands of a committee the sole authority to pass expenditures. Indeed, I think the whole system of our government is based on the theory that the committee of supply consists of every member of the house and that every member has the right to scrutinize and pass on the advisability of every single vote in the blue book. I would go further and say that in addition to that privilege there is a joint responsibility on all of us to scrutinize these items and to pass upon them. It is that responsibility which troubles members who say that under the present system they do not have ample scope to discharge the duty in the way they think they should.

Having pointed out very sketchily the differences I find in other jurisdictions, I think I should indicate what we have in mind ought to be for the moment at least our procedure here. We think that the estimates committee, at least as a preliminary, ought to conduct itself as closely in keeping with the practice in committee of supply as possible. The minister who is in committee of supply is quite often asked a question about his department concerning a detail which no one expects him to carry in his mind, and so he has to have recourse to officials who can provide the information. By long practice these officials sit on the floor of the house but of course they do not take part in the discussion. They do give information, however, to the minister who gives it to the committee, and it is his answer for which he is responsible. We think that this course should be followed in the estimates committee. It will be the responsibility of the minister to conduct the affairs of his department before the committee, and if he chooses to make all the answers himself that would be consistent in our view with the purposes of the committee. If, on the other hand, he thinks it desirable to leave the explanation of details of administration to others, that will also be his responsibility, but if this course is followed it will not be possible for an official or other person to be questioned as to the policy of the government. This must be the responsibility of the government and the minister concerned, and he cannot devolve that responsibility upon an official.

For that reason we hope that on an experimental basis, as I have said, we can do the work of three or four departments in the estimates committee in much the same manner that we do it now in the committee of supply, having in mind, however, that hon. members will want to take more time and will want to obtain more information than they say they have the opportunity to obtain at present. Therefore in the committee we can test the validity of the argument of those who say that this does not add anything to the committee of supply and see if in fact we can do the work in another place when the house is engaged in other business.

I am quite satisfied that there are a number of members who are frankly sceptical of the advantages of what is being proposed, and I think I can safely say that those hon. members are in all parties in the house. But I think we ought to make the experiment to see if in fact an estimates committee can have the advantages that those who sponsor it believe it has. I think all hon. members will agree with me that it would be better to begin cautiously and not make an initial error which might bring about an unsuccessful conclusion to the experiment. For that reason I am recommending a cautious approach to a new system, one which can be tried out without in any way saying that on a future occasion a committee might not decide to recommend to the house a different procedure.

My answer of course to those who say that this might limit the committee initially to the point where it would not be a success is simply that all of us, I think, are prepared to make the experiment. I think all of us are prepared to make it work but that it would be unwise to go beyond what at the moment appears to be possible in order to carry out the objective we have in mind.

The government hopes that the results of the experiment will be twofold at least. It hopes first, as I have said, that there will

be more intelligent criticism of government policy based on greater information in the hands of a member who wishes to make a particular study of a subject in which he is interested and, second, that there will be less time taken in committee of supply on the details than there is now taken in that committee. If neither of these results occurred, it would be a matter for consideration whether the experiment had been successful, and at that time those who think that the committee should be formed along the lines of that in the United Kingdom, or any similar committee adapted to Canadian conditions, would be free to say what they think was the cause of the failure of the experiment.

For the present we prefer, as I say, to keep the committee's activities definitely within the scope of the committee of supply so that we can achieve at least the minimum success in doing what members would like to have done. I would therefore ask the house to adopt the motion, even with the limitations I have indicated, to see if the estimates committee can be made to work in the interests of a more expeditious disposal of business and the better consideration of votes totalling about $5 billion.

I should, however, add that there will be certain consequences following from the passage of this motion. In the first place, we shall present to the committee, if established, the estimates of the departments of finance, veterans affairs, citizenship and immigration and northern affairs. In order to do that it will be necessary for hon. members opposite to realize that these estimates cannot go before the estimates committee until we have been moved into supply by a motion that the Speaker do leave the chair. When that motion is carried we shall have to move in supply that these estimates be transferred for consideration of the estimates committee.

As I have indicated on several occasions, though perhaps not in the house, that motion ought not to be debatable. It is not the intention of the government to create an additional debate to those now existing. If the committee is not going to be given the freedom to deal with these items, but rather have the motion create one more debate in committee of supply which we do not now have, then those who think this system will save the time of parliament seem to be misinformed. When the motion for supply is made, therefore, it will be the intention of the government, after that motion is carried, if it is, to call the four departments I have mentioned and one more at least. These items could then be sent to the estimates committee for its immediate consideration, and we would have one more department's estimates to consider in the normal way on Thursdays and Fridays.

I would hope that this procedure would commend itself to hon. members and that the estimates committee could, during the months of February and March, do the work which we have in mind. There is no point, I suggest, Mr. Speaker, in having the estimates committee working much after the end of March or April because members will want to serve on other committees at that time.

Mr. J. M. Macdonnell (Greenwood): We have all listened with interest, Mr. Speaker, to the speech of the Minister of Finance (Mr. Harris). We all recognize the importance of the proposal which he has put before us. He could not resist one or two opening gambits, which perhaps we should allow him. There was an indication of the impregnable self-satisfaction which we constantly observe in those opposite, and I thought he allowed himself to make a little slip when he forgot that the estimates of the department of immigration, a year or two ago, to all intents and purposes came down on the last day of the session. There may have been some technical reference to them before, but I think we all agree that, to all intents and purposes, they came down on the last day of the session.

I shall not take the time to cover the ground the minister covered in differentiating his proposal from the estimates committee in the British house, though I shall refer to that later, nor shall I disagree with him in his reference to the system in the United States. We do recognize, and have always recognized, the fact that our system of government is different in that it is not merely representative, as in the United States, but it is also responsible. We have never sought to deny that for one moment, indeed we have affirmed and underlined the fact that the government has responsibility. There have been one or two suggestions from quarters which should have known much better that we were trying, by indirection, to introduce the United States method or something like it, but nothing could be farther from the facts.

Now, Mr. Speaker, this is a measure seeking to improve the way we spend our money. The minister referred to the fact that in the early days parliament did little, if anything, more than grant money. I propose to read a sentence here to indicate how true that

is. This sentence is contained in a writ issued under authority of Henry III in 1254, summoning parliament:

> The sheriff of each county is ordered "to cause to come before the King's council, two good and discreet knights of the shire, whom the men of the county shall have chosen for this purpose in the stead of all and of each of them to consider along with the knights of other shires what aid they will grant the king."

In other words, they were brought together for the purpose of giving the king money.

At the present time the federal government, as we all recall, spends nearly $5 billion or, in the average, not much short of $350 for every man, woman and child. The matter is much in people's minds. I only wish today that our words here could carry far enough to make the citizens of Canada take this as seriously as they should. I quote briefly from the Regina *Leader-Post* of October last these words:

> Economy in government is as essential to the economic welfare of the country as economy in business is to the health of that business. It is necessary therefore that government scrutinize ordinary peacetime expenditures carefully with a view to keeping them to a minimum, . . .

Later, in the same article, this appears:

> The trouble is, of course, that we forget it's our money the government is spending.

Many Canadians are indifferent about government spending.

> But every citizen should remember that by far the biggest part of the government's income is money that it takes from every citizen in the form of taxes. This is money which we ourselves would be spending, or saving, if the government did not take it in order to spend it, or save it, on our behalf.

Now, Mr. Speaker, as I said, I wish we could persuade the people of Canada to take the interest in this that they should. Sometimes I feel they have grown to despair about economy and therefore have turned their minds—as was indicated by a recent Gallup poll where only 11 per cent put economy at the top—in many cases towards what more they can get for themselves. If we are not fair with ourselves in scrutinizing the present method of taking care of the expenditure of our money, the discussion is really not worth while. If private business behaved as we do, it would not last any time.

Let us consider what the practice has been. The estimates are brought down early; that is admitted. What are the estimates? Well, the estimates are represented to us as being the result of a hypothetical battle between the treasury board and the various departments. We are asked to believe that there is a terrific battle, and that the treasury board is ever so tough. The late minister of finance used to reassure us on this point. I am not sure that the present Minister of Finance has not, by implication, indicated he thought his predecessor had not done a very good job.

Let us look at what a close and not unfriendly observer thinks about the economy which has been exercised. I am using words which I used previously in this house, and which emanated from the Ottawa correspondent of the Winnipeg *Free Press* in December last. He said:

> Careful study of the federal civil service indicated that the cause of the hitherto uncontrollable growth was simple. Whenever there was a need for expansion, the departments expanded. They did not search within themselves for surplus personnel and meet the need for expansion by making better use of their existing staff. They invariably added to it.

The same writer says:

> Hitherto, the treasury board has only dealt with proposals for increases. There has never been, until now, a consistent effort made to employ the existing staff more efficiently or to reduce the civil service.

We all know, or all believe we know, that there is carelessness and extravagance. Some time ago the hon. member for Burnaby-Coquitlam (Mr. Regier) said that he knew the Department of National Defence had wasted $300,000 in his riding in the purchase of a swamp that was absolutely useless for the purpose for which it was bought.

I want to ask, what happens when the estimates come into this house? Let us consider the way in which they are adopted. In the first place they are regarded as sacred. In the ten years I have been here, only once has a dollar ever been stricken off. In some cases the estimates, which are all regarded as government measures, are actually used also as government legislation.

I remember on one occasion when the Minister of Trade and Commerce (Mr. Howe) and I argued across the gangway here as to whether there was authority for a certain expenditure, and he brought the argument to a very complete end by saying in effect, "Well, what does it matter? If this resolution passes, does that not settle it?" And of course it did settle it. In other words, you can have indirect legislation by an item being brought into this House of Commons.

Let us again try to describe what happens in committee of the whole. The minister of the department is deeply entrenched with experts in close support. The instructions are that the line must be held at all costs, that there must be no giving way anywhere, that they must hold to the last man—that

there shall be no discretion of any kind, that not a dollar must be struck off. Oh no, I am wrong there, because there was a dollar struck off once. There was one case where it was discovered in the Department of Public Works that a certain plan had not been carried out, and the minister of the department struck off a quarter of a million dollars—for which I give him credit.

But of course the Minister of Public Works (Mr. Winters) is different from some of the rest of the ministry. He is an engineer; and engineers have to have regard for figures. I can imagine some others sitting near him, seers such as the Minister of Agriculture (Mr. Gardiner), who would not have felt it necessary to stand up in the House of Commons and say that a mistake had been made. He would have been able to explain it away, so that in the end the amount would have remained there. And who knows; perhaps it might be used for some other and different purpose about which no one had thought until then.

Meanwhile what are the opposition doing? Well, they are doing their best. They advance against the dug-in minister with his close support; but they are in the open. They have no experts in close support. The minister is well dug in, and nearly always the line holds.

Now, it would not be fair to say that there is no result from that. True, there may be no result at the moment, and there may be no result during the current year; but I like to think, however little the ministers show it, that they do pay some attention to what we say, and that perhaps afterwards they do say to each other, "You know, that was a good point. We got away with it, and we had the answer ready, and the answer was pat. But that question was really a good one, and we must pay some attention to it next year, although without admitting that there was anything wrong."

I think that is a reasonably fair description of what happens. Now comes the idea of a committee. I believe the Prime Minister (Mr. St. Laurent) has said that this is an experiment, and the Minister of Finance (Mr. Harris) has pretty well followed that line, too. Of course the idea of a committee is a very attractive one. The newspapers have taken it up. We see that the *Globe and Mail* says this about the setting up of the committee:

> The only complaints against this innovation are that it is belated and that the scope of the proposed committee is too narrow.

Mr. Pickersgill: Too little and too late.

[Mr. Macdonnell.]

Mr. Macdonnell: Too little and too late, yes. Then it says:

> Having been graciously permitted to set up an estimates committee, they should make sure that it covers the ground. The government's plan, it is unofficially stated, is that the committee should study expenditures of the departments of External Affairs, Citizenship, Finance, the Secretary of State and Veterans Affairs. This is not good enough. The list does not include the big spenders, as that word is generally understood.

Now, it is most natural to think that a small committee can be much better than a committee of the whole house. That argument sounds so convincing. You get a few men around a table in a spirit of intimacy, where they can concentrate better, and where information can easily be got. Indeed I believe the natural tendency is for people to accept that view. But I would suggest to the house that there is another side to the question, and that we need to be on our guard, "Won't you walk into my parlour?", said the spider to the fly.

I do not think we should forget that it is the desire of the ministers to get the estimates through the house with the least wear and tear to themselves, and with the least possible questioning. And it is with that thought in mind that I shall read one or two comments from a very experienced British politician, in which he throws out a word of caution which, I suggest, we would do well to remember. At page 570 of the British parliamentary debates, 5th series, 1953, the Hon. Walter Elliot, a former minister of the crown, has this to say:

> I am very jealous of any projects to take discussion away from the floor of the house. I am uneasy about sending too much to select committees of members specialising on particular matters, such as foreign affairs or colonial affairs or, for that matter, domestic affairs. I will refer in a moment to the committee stage of bills, but I would say that the over-use of the specialised committee is a great danger.

And later on the same page he says—and this I commend to all members of the house who are not ministers, and to the minister as well:

> The only thing, I am sure, of which a minister is frightened is the whole house.

And I would like to think that the ministers here are frightened of the whole house. Of course they would be more frightened if they did not have two-thirds of the members in the house who never frighten them at all. He continues:

> That is when a minister really begins to pay attention to outside opinion, when this place, which has the power, which has the strength, which has the last word, begins to come into play. Then the strongest minister—

And let us remember that the Minister of Finance has been caricatured as Hercules, so

we ought to have that in mind when we are considering this—that it is he who is bringing this forward. It continues:

> Then the strongest minister bringing forward, from his point of view, the most important matter, is bound to pay the very closest attention to it. Believe me, he pays much more attention to a debate where the whole weight of the House of Commons is being focused on him, in the hearing of his colleagues, than he does to any amount of expert opinion in a room upstairs, whence he can come out and say, "Well, the boys were rather fussy, but we have got the bill."

Now, I commend that earnestly to every member in the house. And I wish to read a word more from the same source as it appears at page 575—and this is something I think we should remember. The whole genius of this system of ours is that there is struggle going on. Let us be candid about it; there is a struggle for power going on. And this is indicated in what I am about to read:

> The difficulty in which parliament is always placed is that the purpose of parliament is controversy. We come here not to agree but to differ. If we all agree, there is no necessity for our being here. This is the place for argument, where differences of opinion are brought out. What we should consider is, not how differences of opinion can most easily be smoothed away, but how they can be brought fruitfully to conflict.

Well, even a man with pacific tendencies like myself can realize how true that is, and how we should be on our guard against what can be made to appear to us as reasonable, and which can be useful if it is properly used, but which could also be used merely to dig those entrenchments I tried to describe just that much deeper, and to make the gentlemen in close support that much more effective.

Let us remember this, with regard to ourselves in the opposition, that often we call ourselves watchdogs. But watchdogs should be able to growl and to bite. And if we are slipping into a situation where we do not growl and bite so well, then we ought to be very much on our guard, indeed.

An hon. Member: What about barking?

Mr. Pickersgill: This is a new set of false teeth.

Mr. Macdonnell: Therefore when they come to us in a very pleasant atmosphere, as the minister did, and they say, "Let us sit down together and we will deal with this pleasantly, so that nothing will ever arise that will jar us in any way, and so that we can come back to the house and the members will feel that the matter has been dealt with, and they will be shy of having anything further to say"—I say when we are put in that position, let us be on our guard. Ministers would not be human if they did not have the hope that this was going to be a softening-up process. Of course, that is what they hope. Why would they not hope it? And certainly it is our duty to be on guard and we are just a lot of nincompoops if we fall easily into a trap. I hope we will not.

That brings me to one or two things that the minister has said. One of them really nearly knocked me flat. As I understand it, when a minister says we are to go into the committee we are to sit around a table, all good fellows together. The civil servants are to be there, all good fellows together too and we are not to follow the common-sense course that everyone would imagine; that is, that we will be able to talk directly to these good fellows. No. The close support is still to be in support. They will not be in the front line and, as I understand it, any questions which are to be asked are to be asked of the minister who will then communicate with his supporters and the answer will be given him in that way.

Mr. Pickersgill: May I ask the hon. gentleman a question?

Mr. Macdonnell: Don't make it too hard.

Mr. Pickersgill: Is he now arguing for bringing civil servants into politics?

Mr. Macdonnell: Oh, no.

Mr. Rowe: They have already been brought in.

Mr. Fleming: Exhibit A.

Mr. Macdonnell: I think the minister should have left that one alone because I have made it clear already that we understand the principle of responsible government; that we understand we are not to discuss matters of policy with civil servants; that we understand we are there for the purpose of getting information; but, notwithstanding the assault of the Minister of Citizenship and Immigration, I still submit to this house that there will be something awfully ridiculous in our sitting around the table and asking questions of the minister and then having the minister turn around and ask the close support. We will all be able to hear what is said but we must not question them directly. I hope the minister will not stick to that because I think that bids fair to make the thing rather a farce.

Then the minister said—and here he left it rather at large—that this committee was to conduct itself, *mutatis mutandis,* in exactly the same way that the committee of the whole house conducts itself. He did not make that very specific. I am not going to go into

details on that. I am not just sure how far he takes that. I have one or two substantive comments I wish to make later on the conduct of the committee and therefore I shall leave that for the moment. But I have been disturbed. What the minister said really made me feel that—I will not say it is phony, because the last thing in the world I would ever charge the Minister of Finance with was introducing a phony—I do think he has not really thought the thing through. For us to go into a room together and just try to reproduce the atmosphere of this committee which is carried on in public, which is carried on sometimes with scores of people present, is not very realistic. I hope he will back away from it.

I now come to what seems to me to be essential and to be the only conditions on which we should be asked to consent to this committee; that there will be an opportunity to question civil servants, though of course not on matters of policy. That is understood. Secondly, though I am not going to argue that we should turn ourselves into something like the committee on estimates in Britain, because I realize the force of what the minister said, nevertheless, I do argue that we should have certain rights of questioning within the limits of common sense. For instance, I suppose crown corporations will come up directly or indirectly. There ought to be the right of questioning there. When you come to a subject like trade and commerce, you will find the government is in business in competition directly or indirectly with a lot of private business. And I would think that there ought to be a pretty wide range of questioning there, just as there is in the United Kingdom where, when they consider export credits, for example, they have a wide range of evidence made available to them.

The minister has pointed out the difficulty that that involves and the amount of work involved. I am not suggesting that we in any detail model ourselves on them, but I am suggesting that if these committees are going to be more than a rather poor imitation of the committee of the whole, there has to be some latitude. Let us take the committee on external affairs. My understanding is there has been quite wide latitude there. I am not speaking so much of witnesses who have appeared. I am not familiar with the detail of it, but even a hasty reading of the minutes shows there was a pretty wide range of questioning allowed. When it came to the committee recommendation, again we had the old situation of a government majority and the report was, shall we say, entirely free from criticism.

I want to make the point that there must be complete freedom, just as there has been in respect of the external affairs committee. It seems to me that should be the pattern. There must be the complete right of debate when the occasion arises in the house referring the items to the committee, and equally the right of debate when the report comes back, as there has been in the case of external affairs. That seems to me essential.

Mr. Harris: Why does the hon. member think there ought to be an additional debate on sending the estimates from the committee of supply to the committee on estimates?

Mr. Macdonnell: My understanding is that in the case of external affairs the procedure is exactly as I have stated. There is a debate when the items are sent and there is a debate when the items come back. I did think, perhaps without sufficient warrant, that what we are doing here is to extend the procedure in the external affairs debate, and for my part, while the minister shakes his head, I put myself on record as saying that I see no reason why the practice followed in that connection, or an equivalent practice, should not be followed here. As a matter of fact, when one comes to think of it, are we in this committee of the whole house going to pass this on automatically without any opportunity of debate? Bear in mind—and this is as true as true can be —when the external affairs estimates come back from the external affairs committee it is inevitable that the rest of us in this committee have the feeling—I know I have it myself—that since all these estimates have been gone over by a good committee, to intermeddle in the debate further would be taking oneself too seriously. I do not think that is the right attitude. Somehow or other we must try to prevent that attitude arising because if it does it is lowering the position of this committee; it, in my view, is lowering the position of parliament. If you get to the stage where every committee is dealt with in that way it will have what is to me a very injurious effect on the procedure of this parliament.

In case the minister wants to throw the United Kingdom instance in my face, we should remember that in the United Kingdom they do not have ten provincial parliaments dealing with a lot of the legislation. They have a vast amount of work to do that we do not have to do here, and they are constrained to reduce the amount of time taken on estimates. Moreover, these procedures are not regarded there as party matters.

I understand in the public accounts committee in Britain a member of the opposition is the chairman, and that is something which, so far as I understood the minister, he did not suggest was going to be done in this Canadian House of Commons. Therefore, I say that the rights of debate, just as they have existed in respect of the external affairs committee or the equivalent, should not in any way be curtailed.

In other words, Mr. Speaker, it seems to me that this experiment, as I notice the Prime Minister called it and the minister again this afternoon, should be tried, but I wish to repeat that we should be on our guard against its being used as a method to get away from the House of Commons. Ministers being human, do not let us be sentimental enough to believe, as I said a moment ago, that they do not have that in their minds. Of course it is in their minds.

In consenting to this as an experiment, therefore, I believe we should ask that there be freedom of debate on the motion to refer it to committee, and freedom of inquiry in the committee, always excepting matters of policy which we recognize are the responsibility of the government. There should also be freedom of debate when the matter comes back to the committee of the whole.

In winding up my remarks I wish to underline and again read what Mr. Walter Elliot said with respect to the position in which we now find ourselves, and the only position that we should for one moment accept. He said:

> I am very jealous of any projects to take discussion away from the floor of the house.

And then again he said:

> This is the place for argument, where differences of opinion are brought out. What we should consider is, not how differences of opinion can most easily be smoothed away, but how they can be brought fruitfully to conflict.

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, when this matter was brought before the house some years ago, I believe, as the minister said, it was in 1947, this party approved of referring estimates to committee. But in doing so we were not and are not any less suspicious of the government and its intentions than if the estimates were considered on the floor of the house.

I listened carefully to the arguments advanced by the hon. member for Greenwood (Mr. Macdonnell) and though he finally approved of this motion most of his arguments, it seemed to me, were against the motion, though I believe the same arguments could be used against the setting up of any committee for any purpose.

I believe we should try to remember that times change and parliament and legislatures are today being called upon to deal with many more matters of importance than they were even 20 or 25 years ago. For that reason, if for no other, we should try to find ways in which we can deal with these matters expeditiously.

I believe I am just as firm in my resolve as the hon. member for Greenwood that we should not forgo any opportunity for debate in this house on matters of importance. I would add, however, that during the years in considering the estimates in the house a great deal of time has been taken up not so much in dealing with particular items as in dealing with questions of policy or other questions which could not be discussed except on the estimates. I confess I have been as guilty in this respect as many other hon. members. However, one aspect of our parliamentary institution in which I take pride is that there is no question which cannot be discussed here. A private member will have an opportunity to discuss any subject in which he is interested if he watches for that opportunity, and most of us watch for such opportunities during the discussion on the estimates.

I am not sure whether I understood the minister correctly when he said that these estimates would be referred to the committee without debate. If he means that these committees will be brought into supply and no debate will be allowed, then I disagree with him because I am not prepared to sacrifice any opportunities we have for debate on Monday, Tuesday, and Wednesday.

Mr. Harris: If I might be permitted to clear up any doubt in my hon. friend's mind, my reference to there being no debate was on the formal motion in committee of supply to send these items to the estimates committee.

Mr. Knowles: Does not that take place with Mr. Speaker in the chair?

Mr. Harris: They will have to go into supply before they can go anywhere else.

Mr. Knowles: But have not external affairs estimates been referred to that committee on a motion with Mr. Speaker in the chair?

Mr. MacInnis: I quite agree that the estimates of the Department of External Affairs, as far as this particular motion to refer them to committee of supply is concerned, are a little different, because on those occasions the motion was made with Mr. Speaker in the chair. The hon. member for Winnipeg North Centre (Mr. Knowles) has a much better memory, but I believe on

occasions Mr. Speaker has left the chair. However, the purpose of that debate was to give the Secretary of State for External Affairs (Mr. Pearson) and others in the house an opportunity to discuss external affairs and not necessarily the estimates of that department. If we can be quite sure that there will be no interference with debate in taking these estimates into committee I believe we can get over any other difficulty. I quite agree with the minister in his statement that there is no reason for two debates.

I have been discussing the matter with some of my colleagues and they are concerned as to whether we would have an opportunity to debate these estimates when they come back to the house. My understanding is that we will have such an opportunity, in the same manner as we will have an opportunity for discussing the estimates of the Department of External Affairs.

I believe a great deal of good can accrue from referring these estimates to a special committee. I believe everyone who has had the opportunity to serve on the committee for external affairs has found that committee very useful indeed. I can recall outstanding explanations that have been made on the operation of government policy to that committee, and such explanations alone justified any time spent there. We had an extremely useful explanation during last session when Mr. Cavell outlined to us the work being done under the Colombo plan, and I am sure everyone found that information—information we could not get easily in the house—extremely useful. Last year and the year before that we had a most interesting three or four days with Mr. McNaughton who explained to us the workings of the international joint commission. It is questions of how policies are put into operation that take up time on the estimates, and not the scrutinizing of how the money is paid out. For that reason I believe the committee should be set up.

The hon. member for Greenwood mentioned that private business could not possibly carry on its operations in the same manner as we do here. But if private business had 265 members insisting on talking on every matter that was brought under consideration by the president or general manager, and insisting on giving publicity to all that took place, I do not believe private business could handle its affairs as it does now. I am not saying that they handle their affairs particularly well now, but they certainly could not do so under those circumstances. That is what happens in this house. Everything that the government does is supposed to be done in a goldfish bowl. That may be a good thing or it may be a bad thing, but we must realize that that is the way public affairs are carried on. There are some people, I assume, who would like to make the work of these committees a matter of determining particularly whether such and such an expenditure should be made—and I find nothing wrong with that—or whether economies could be made. But in a quarter of a century of experience here, I do not think that I have ever heard of a member complaining—in fact, I am sure I have not—that the appropriation for his constituency was too large and that it ought to be reduced. It is my opinion that until we come to the state of mind that will enable us to criticize appropriations for our own constituencies, it ill behooves us to be too virtuous in our criticism of other estimates.

Over the years I have noticed the two papers here that criticized the government—and particularly one of them—unmercifully. I do not mind that. I think it is a good thing for the government even if the criticism is not always justified; but I think it is justified in most instances. But if you put in the estimates an appropriation for Ottawa, there is no criticism. If there is any criticism at all, it is that the appropriation is not enough, and that a great deal more could very well be spent in the city of Ottawa with good effect.

It seems to me that economy is not so much a matter of the saving of money as it is of the proper expenditure of money, or the getting of proper value for the money that we spend. I do not want to revive another debate, but the other evening someone said that we, in this group, were always ready to spend the other fellow's money. I am not particular whether or not that accusation is made against me, as long as I am trying to save the other fellow's life or to improve his life; and that is what we have been trying to do here with a great deal of the money that the government spends.

As to the matter of economy, I am reminded of a story I heard about a Scotsman, the head of a family. It is rather strange, but the Scots are about the only race left about whom you can have a joke without giving offence. This Scotsman bought a barrel of apples. When he took the lid off the barrel, he found there were a few bad apples on the top. Being thrifty, he insisted that his family consume the bad ones first before they consumed the good ones. But lo and behold, when they had taken off this layer of bad apples those that were previously good had now gone bad, so they had to eat them also. Eventually they consumed the whole barrel of apples but they ate them

all in a state of decay, more or less. That is not good economy, in my opinion; it is poor economy indeed. It is that kind of economy that we ought to try to avoid.

I do not know that there is anything more I want to say on this matter. As an experiment, I think this suggestion is worth trying. It is not a matter of policy but rather a matter of procedure. If we can make it work, it will be to the benefit of all of us. But it is an experiment that is not breaking entirely new ground because, as I said before, we have had the external affairs committee for several years and I think no one would wish to abolish that committee.

Mr. Victor Quelch (Acadia): Mr. Speaker, I think that most members in the house will agree that the present method of dealing with the estimates is not a satisfactory one. I think one of the reasons for that situation is that in committee of supply a great many unnecessary questions are asked. I use the word "unnecessary" because, in many cases, the answers to the questions asked can be found in the back of the book of estimates. In the second place, you have members wandering in and out of the house, with the result that members come in late and ask questions that have already been asked and answered. That is something that is happening repeatedly every day while the estimates are under discussion. That sort of thing would not be so likely to happen if the estimates were dealt with by a committee.

We in this group have always favoured a policy under which the estimates of a department might be sent to a committee dealing with matters relating to the department whose estimates are under discussion. For instance, that is done in the matter of external affairs. Officials are present before the committee. Any questions may be asked. As a result of that procedure, I think a great deal of time is saved in the house. The reason that time is saved in the house is that the other members who are not on that committee know that on the committee are members who are especially interested in external affairs and that those members will have made a fairly good job of investigating the estimates. I believe that similar action could be taken in the handling of the estimates of many other departments such as agriculture, veterans affairs, defence and finance. That is, the Department of Agriculture estimates could be sent to the committee on agriculture, the estimates of the veterans affairs department could be sent to the special committee on veterans affairs and the estimates of the finance department could be sent to the banking and commerce committee. On those committees you would have members who were especially interested in those subjects. Hence the rest of the members of the house who are not on those committees would know that those members would be making a fairly good job of investigating the estimates. For that reason, they would not be likely to ask a great number of questions or at least would not be likely to ask as many questions as they would otherwise ask when these estimates were referred back to the committee of supply.

As to the suggestion before us, the minister has stated that some members are sceptical about it. I will admit that I am one of those members who are sceptical for the very reason I have just mentioned, namely that on that committee you are going to have members who will not be especially familiar with the matters referred to it. Consequently, when the estimates of a department are referred back to the committee of supply other members who are interested in it and who have not had a chance to ask questions, are going to start asking questions, I think, to just as great an extent as they would have asked them before the estimates had been referred to that committee.

I think there is a step that could be taken to prevent that happening. If the estimates of a department are dealt with until finished in that committee, then each group could change its representation on that committee before the next department brings its estimates to it. But if you are going to take one department for a few days, then jump to another department, and then come back again, it will be impossible to follow a sequence of that kind, and I think you are going to run into a great deal of trouble. But if you carry the estimates of one department through to a finish and then, before changing to the estimates of the next department, you allow a group to change its membership on this committee so as to have on that committee men who are especially interested in that department, I believe that many of the objections I have raised could be overcome. I hope the minister will say that the procedure I have suggested will be followed and that the groups will be allowed to change their membership on this committee without too much difficulty. The minister has stated that the committee is to be set up as an experiment. We realize that the present system is not satisfactory, and although we would prefer the method to which I have referred, nevertheless I think we are prepared to support the proposal as an experiment and do our best to help to make it succeed.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I think I might be less than frank if I did not say something in regard to this

subject, for both in the house on various occasions in previous sessions and in the committee on rules for several years I have advocated, though perhaps in somewhat different form, the establishment by the house of a committee on estimates for the purpose of reviewing the estimates of the government submitted in the annual blue book.

I am not going to enlarge at undue length on the subject of the historic responsibility of the elected representatives of the people sitting in the House of Commons to pass on public expenditures, both past public expenditure and contemplated expenditure. There is, both historically and in fact, no higher responsibility resting upon members in any parliament modelled upon the mother of parliaments.

Sir, I have felt as a member of the house over the past ten years that that responsibility is not being adequately discharged. Indeed, I go further and say that under the procedures obtaining in the house today it becomes virtually impossible for the members of the house to discharge that high and important responsibility. How are they to do it? The vehicle is the committee of supply, perhaps the clumsiest of all the elements of parliamentary machinery at Ottawa today. If you wish to make a serious attempt to review proposals for expenditure you do not in the first place send the matter to a body of 265 members. In the second place, you attempt to have some order in the deliberations of the reviewing body. You would not have questions of policy, questions of detail, questions of amount, all mixed up. You would not have questions flying from all parts of the house with little relation to one another, nothing consecutive and very little that is coherent.

This committee of supply, sir, is a clumsy, awkward vehicle for the discharge of an important public responsibility. It takes up a great deal of time. I wish to make it quite clear that in my approach to this problem the saving of time is not the most important element. For me the most important element is the discharge of the public responsibility to review these proposed expenditures. But the saving of time is, I think, one of the results that would follow, not at the expense of efficiency but with an increase in efficiency if a different procedure were adopted.

Another of the patent disadvantages of our present procedure in committee of supply is that any information obtained by members must come through the mouth of the minister. That again is an awkward, time-consuming procedure. The minister very often acts as a fence between the member who is seeking information and the official who has the information, when time would be saved and efficiency would be served by permitting the question to be asked directly of the official. Members very often come into the committee primarily to seek information. Others wish to make speeches in reference to policy. Others have speeches they wish to make depending upon the information they obtain in reply to questions asked for the purpose of eliciting the information that is needed.

On these various counts, Mr. Speaker, it seems to me that our present procedure in committee of supply just cannot be permitted to continue in its present form if we are to make any serious pretence at all of discharging this important responsibility. We do spend a great deal of time of the house in committee of supply. For my part I do not begrudge the time that is spent there, but I wish to see it spent in a way that will enable members to reach the meat of the problem and will permit a differentiation in the procedures of the committee between policy on the one hand and questions of detail on the other. At the present time these important questions of policy are confused with the minutiae of questions having to do with detail or questions in regard to amount, questions that have a very limited effect. No one here, I am sure, is going to pretend that when these little questions are mixed up with speeches in regard to important aspects of policy the result is a sensible or coherent procedure.

Now, sir, it is said at times by the government to us in the opposition: Well, these estimates have all been reviewed by the treasury board. In effect they say to us: You do not need to concern yourselves unduly with the details because they have already been combed through by the treasury board. Sir, this House of Commons can never abdicate its responsibility in this matter to the treasury board or any other board. It must assume its responsibility; it must discharge that responsibility. The only way it can discharge that responsibility is by a review of the details of the items that are submitted to it in the blue book.

We are not without experience in this regard in the House of Commons. For the past ten years now, beginning with the appointment of the committee on external affairs in the fall of 1945, the house has every year since followed the practice of referring to that committee the estimates of the Department of External Affairs. I have had the privilege of being a member of that committee since it was first appointed in the fall

of 1945. As one who, I think, can say that he has shown some concern about these estimates and the way they are handled, I want to express the very firm opinion that the estimates which have had the best review in the House of Commons in these ten years have been the estimates of the Department of External Affairs.

I think the reason is that they have been sent to the committee. In that committee there has been full opportunity to question the officials of the department. The minister has followed the practice of making an introductory statement in the committee, but then the details of the review of the estimates, the answering of questions and the submission of further information, tables and statistical data have been left to the officials of the department. Witnesses have not been confined to officials of the department. We have had men like General McNaughton and Mr. Cavell come before the committee, men associated with particular work, the international joint commission in the case of General McNaughton and the Colombo plan work in the case of Mr. Cavell. We have had other similar witnesses from time to time, sometimes people who are not connected with government at all. There has been freedom there and the estimates have been thoroughly reviewed. I think that the time of the house has been saved at the same time as a more efficient review of the estimates has been achieved.

That was not done, Mr. Speaker, by curtailing debate in the house, and here it seems to me that the minister is proposing today, if I apprehend his thought correctly, a departure from a procedure that has been found to be salutary and effective over this period of years in connection with the estimates of this one department.

When the motion has been made to take the estimates of that department out of the committee of supply and refer them to the select standing committee on external affairs, that motion has been made the occasion of a debate on policy; for, sir, this House of Commons is the place where policy should be discussed. That is the procedure that has been followed there and it has been a very useful procedure. When the estimates of that department have come back to the committee of supply then in some cases where there was need of a general debate on policy that debate has taken place on the first item. But usually where there was not some immediate occasion for a debate on external affairs policy in general, because we all recognize that there must be certain occasions for debate on external affairs from time to time during the session, what we have had has been a very quick review in the committee of supply of the estimates of the department when referred back to that committee. The house, sitting as committee of supply, has known that these items had been reviewed in detail.

Now, there is nothing in the procedure of the house that obstructs any member at that point if he wishes to raise some question or to ask for certain information. I believe it has been the experience of the house, sir, that the questioning in that committee has been quite comprehensive. The information has been obtained and it is in the printed proceedings of the committee. There is no occasion for repeating it in the house. But if something arose in that committee which, in the opinion of any hon. member, called for special comment, there is no reason why that comment should not be made then in committee of supply, and made with the assistance of information. There is no occasion at that stage for speeches going off at tangents based on erroneous information, because that information has been sufficiently elicited in the committee.

I feel, sir, that the experience this house has had now over an extended period of time is an experience which should assist the house greatly in connection with this question, and should be a useful guide to the committee.

We have the proposal that an estimates committee should be established. The estimates committee is not the only committee to which the estimates of any particular department could, or for that matter should, be referred. I trust that because a committee on estimates is to be appointed, there will be no suggestion that the estimates of the Department of External Affairs should not be referred, as in the past, to the select standing committee on external affairs. I would have hoped that having our experience with the external affairs estimates to guide us, some thought could have been given to referring the estimates of some other departments to committees of this house that happen to correspond to those departments.

We do not have committees in every case corresponding to a department of government. There are some and the committee on external affairs is, of course, one obvious example. Another example is the industrial relations committee, to which the estimates of the Department of Labour could be referred. Whenever a special committee on veterans affairs is appointed for a session, it seems to me there is no reason why the estimates of the Department of Veterans Affairs should not go before such a committee for review and report. Some serious consideration might be given as well, Mr. Speaker, to referring the

estimates of the Department of Agriculture to the select standing committee on agriculture for review and report. In this way I believe we would achieve the purpose of having a more thorough review of the proposed expenditures of those departments, and then we would have an intelligent discussion of policy in the house.

During the debate on the address in reply to the speech from the throne the Prime Minister (Mr. St. Laurent) said that this proposal was being put forward by the government at this session as an experiment. Now, that is fair enough. I have been urging in the past that if the government was not prepared to go the full way, at least it might consider experimenting. I am glad that the government is prepared to experiment with this idea. I wish to say, however, that the experiment ought to be conducted on an absolutely fair basis. Apparently we are to have the estimates of four departments referred to that committee. These four departments have already been selected by the government. The opposition has had no voice whatever in the selection of these departments whose estimates are to be referred to the committee—not the slightest voice whatever.

It seems to me, sir, if there is to be a fair experiment on this basis, if we intend to give a fair and reasonable trial to the suggestion that has been seriously put forward in this house over a period of some years, the opposition should have had some voice in the selection of the departments whose estimates are to go to this committee for review. I hope that it is not too late for the government to listen to the voice of the opposition in that respect, because surely no one is going to pretend that the trial is fair if the opposition has not been consulted in any respect in the selection of those departments whose estimates are to be so referred.

I wish also to say a word about the experience in the United Kingdom with the committee on estimates. It is not just a recent experience; it is a very long experience according to our ideas of time in this younger country. It is because there has not always been a clear understanding of the functions of the estimates committee at Westminster that I wish to read to the house several passages from a speech that was made at the commonwealth parliamentary conference at Nairobi, Kenya, last August. At that time one of the main subjects for discussion was the relationship between the executive and legislative branches of government. The question arose there as to how the elected representatives of the people could discharge their fundamental and inescapable responsibilities in controlling public expenditure.

The spokesman for the United Kingdom delegation, Mr. Derek Walker-Smith, M.P., had a word to say about the procedures followed in the United Kingdom with reference to expenditure. I put this before the house and ask the house to follow the difference between the way they have found over a period of years they could best handle this responsibility, and the way in which I understand the minister is proposing that these estimates be handled in the committee on estimates. I am reading from the official record of the conference, and Mr. Walker-Smith proceeds:

> So far as the traditional methods of financial control are concerned we still have in the United Kingdom 26 days set aside under Standing Order 16 for debates on the estimates, known as supply days, but those 26 days on the estimates are not now concerned, or scarcely at all concerned, with the question of a detailed scrutiny of the departmental estimates. On the contrary, they have become over the process of time debates relating to the policy and the administration of the particular departments whose votes are set down for debate on any of these 26 days. Similarly, our consolidated fund and appropriations bills are still, of course, a very vital part of the financial machine; but they are made the occasion not of financial debates but of debates varying over wide points of policy and administration. That being so, it is, I think, clear that the old traditional methods of financial control are not of themselves very effective for that purpose today.
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> We have however evolved certain other methods, new methods, in comparatively recent years. When I speak of new methods, one of these methods has been going on since 1861 and the other for 30 or 40 years, but they are comparatively new, speaking against that background of seven centuries of parliamentary government . . .

Then further down he says:

> But in fact we have a dual system, a public accounts committee to make a detailed examination of past spending, and an estimates committee to make a detailed scrutiny of proposed expenditure. So far as the public accounts committee is concerned, that is the one which has existed since 1861. It is composed of 16 members of parliament and always has a prominent opposition member as chairman,—nearly always, in fact, a former financial secretary to the treasury. The public accounts committee has power to send for persons and papers and to call for attendance of senior civil servants for the purpose of examining them, but there are two things that they may not do—they may not call for ministers and cross-examine them and they may not challenge the policy of the government. And so you see the ambit of our public accounts committee is narrower and more functional than the ambit of those exciting congressional committees about which we read in our newspapers.
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> So far as the estimates committee is concerned, this is a very useful body, at any rate for us. It has been in existence for about 30 to 40 years and it examines the estimates, that is to say, the proposals for spending money and reports what economies consistent with the policy of government might be effected. This is a rather large body consisting of 36 members of parliament and in this case the chairman is drawn not from the opposition but is a private member of the party supporting the government. It is a very effective body, split into five sub-committees, each of which work on different departmental estimates. There-

fore I think it is broadly true to say, Mr. Chairman, that, taken together, the public accounts committee and estimates committee do much of the detailed financial scrutiny which was traditionally done by the house in committee of the whole house and which circumstances have made no longer possible by the traditional machinery.

Now, it seems to me there is much there to which we might hearken today. Nobody has in mind, I am sure, importing anything from the congressional committees system into our system here. But we are actually away behind Westminster in shaping our procedures to accomplish the fundamental purposes of parliamentary government and parliamentary responsibility.

And so, sir, I am glad that a committee on estimates is going to be set up; I am glad that it is going to be experimented with. I wish to see that system given a fair trial. And I do not think if the government is going to have the exclusive voice in selecting the work for that committee the trial will be altogether fair.

I come now—and I shall be brief—to what I conceive to be a departure in the recommendation of the minister from what it seems to me has been sound policy in the House of Commons, in the light of its experience with the external affairs committee, and the experience of the United Kingdom.

The minister said, in effect, "We are going to make the estimates committee a little committee of supply, a committee of supply in miniature." As I understood him, that committee is going to start its review of the estimates of a particular department with the kind of discussion of a general nature that we have in the house, in committee of supply. And then, as I understood him, the estimates committee will go on with the same mixture —the same baffling mixture—of detail and policy, amounts and policy, administration and policy, all mixed up, from which we suffer now in trying to bring any order out of the chaos which exists in the deliberations of the committee of supply.

It seems to me that that is just deluding ourselves, inviting confusion in this experiment. What we ought to do, as a house, is to discuss questions of policy in the house, sitting in committee of supply. This is the place to do that. The House of Commons, sitting in one of the committees of the whole, is the place where policy ought to be discussed. A select committee is no place to discuss policy.

Similarly the committee of the whole house, such as a committee of supply, is no place to discuss detail. The select committee is the place to discuss that. If I followed him correctly, the minister seems to propose that the committee of estimates be made a sort of committee of supply in miniature, with questions of policy and questions of detail all mixed up.

The minister has said, "We do not want any discussion on the motion to refer the estimates of a particular department, or to take those estimates out of the hands of the committee of supply and to refer them to the committee on estimates." It seems to me we are only stultifying ourselves if we follow that proposal. Surely what ought to be done in this situation is to invite on such a motion a general discussion on policy in relation to that department, such as normally we now have on the first item. Have that general discussion of policy here in the House of Commons, a discussion that would not consider detail, and after that discussion of policy send the estimates for the department to the committee on estimates for detailed review. In the committee there would be the detailed review, but there would not be discussions of policy.

The next fact that I think ought to be kept in mind in this regard is that in the committee, in seeking full information, and in discharging that particular responsibility to get information with regard to amounts, and to seek economies, there should be complete freedom not only to send for papers but to send for persons; and such persons should not be confined simply to those in the government service, if there is good reason to send for persons outside. This afternoon the hon. member for Greenwood (Mr. Macdonnell) referred to a case where, in relation to the review of a department under whose jurisdiction fall, we will say, crown corporations, there should be power to seek intelligent advice from other sources as well.

The next point I should like to make is that when the review of the estimates of a particular department has been concluded by the committee on estimates, it should then be reported back to the house. There should be no thought of holding back a report on the review of estimates until the committee has reviewed the estimates of all the departments referred to it. It ought to complete its work as far as possible on any particular department, and then send its report back to the House of Commons on that department and its estimates.

The subject of rotation of personnel was mentioned earlier by the hon. member for Acadia (Mr. Quelch). It seems to me that only time and experience will bring the house to a right decision as to whether it

is better to follow the method in the United Kingdom, that of having subcommittees, or to follow the system which I believe is in the mind of the minister when making his proposal, that the committee should function as a unit and that, if necessary, when the estimates of a particular department have been reviewed, then by decision of the house the personnel of the committee could be changed so as to bring into it some others who would be more particularly concerned with or more expert in the affairs of the next department to be considered. I do not think we ought now to arrive at a final conclusion in either respect, but that we should keep an open mind and should be guided by the results of our experience.

Finally, I do not think we are doing any offence to our respect for parliament or the value we attach to traditions with which not only the powers but so many of the procedures of parliament are attended, by conducting the type of experiment we are proposing here today. Mention was made of the fact that at Westminster they have had a committee such as that now proposed—speaking generally—for the last 30 or 40 years. When the House of Commons becomes so large and when its business becomes so involved that existing procedures are not adequate to enable members to discharge their duty, then it seems to me there is a responsibility incumbent upon the house to search for such procedures as will enable it to become more efficient, while at the same time retaining and performing the traditional duties and responsibilities that attach to it under our system.

Therefore, sir, in what we are proposing here today it seems to me we are simply trying to find a method by which we may better adapt the procedures of this house to the discharge of our duties. And while the motion before us provides simply for the setting up of the committee, and there is no motion yet before us to refer the estimates of any particular department to that committee for review, I hope that in the interval, before such latter motion is put before the house, the government will give consideration to the suggestions made here today—suggestions which I think, if given effect, will offer a much better opportunity for giving a fair trial to this suggestion and experiment which has in it very great promise of usefulness if given a fair trial.

Mr. Dickey: I have two questions I should like to ask the hon. gentleman. I understand he quoted with approval the rather lengthy passage that he read from the proceedings of the British commonwealth parliamentary association. In dealing with the debate on the motion to refer the estimates of the departments to this proposed committee, did I understand him to mean that the debate on policy would be a substitute for the debate on the first item that we now normally have, and that there would be no debate of a general nature on the first item when the estimates came back?

Mr. Fleming: Mr. Speaker, on the first question, I read this somewhat lengthy quotation from this interesting and quite authoritative speech of Mr. Derek Walker-Smith, M.P., because I thought it was highly instructive. We have not in Canada quite the same situation, as I sought to make clear in my following remarks. The type of committee on estimates that is proposed by the government is not precisely the same as they have in the United Kingdom. But what I was trying to draw from the remarks of Mr. Derek Walker-Smith was this twofold instruction. First of all, their committee on estimates has been found, over a lengthy period of time, to be a very useful committee in relation to the discharge of the duty of control of public expenditure; and in the second place, to make clear, as he did, that that committee concerns itself with detail, and that in the committee of supply, according to the prevailing British system, the discussion is confined to policy. That is what seems to me a sound differentiation between the function of the house in the committee of the whole and one of those select committees. Let us discuss policy in the house but not detail and in the committee let us discuss detail but not policy.

The second question that my hon. friend asks is as to the status of item No. 1, following the general discussion. He will recall that, according to our procedures in the house today, in committee of supply, on the first item of general administration in every department we have first of all a general discussion. That is a policy discussion, and then after that there is, if anyone is concerned with the details of the item of general administration, an opportunity to go into them.

It seems to me that the proper course to follow is that when the general discussion on policy is concluded that is the point at which the estimates should be referred to the committee. You have had your general discussion on policy. Now, in committee, item No. 1 is not approved nor is the committee debarred from reviewing such details of the estimates of the item of general administration as may be required. My hon. friend will recall, for instance, in some departments there is very little outside the general administration item. Take the Department of National Revenue. There are

only a couple of items in each branch of that department, including general administration. Therefore, if the general administration item were carried in the house there would be very little for the committee on estimates to deal with. If, for instance, any department's estimates were referred, what that committee should do is to go into the detail of the item of general administration, the money amount, if they have any questions then remaining that they wish to ask on that item. My impression is that the bulk of the discussion in the committee on estimates on most departments would not revolve around the item of general administration. It would revolve around the later items in many of the departments, certainly in the departments which have a great many items. We have some departments which have scores and scores of items.

I have done my best to answer my hon. friend. It may be in his mind that there is going to be some duplication in discussion. I do not think so for one minute. That certainly has not been our experience with external affairs. We have had the general discussion here, and when the items have come back to the house, in some years we have gone through those items in a matter of minutes in committee of the whole when they have been referred back to it.

Hon. C. G. Power (Quebec South): As one who for many years has been urging that estimates be sent to a committee, I rather welcomed the statement made by the Minister of Finance (Mr. Harris) this afternoon and the discussion which has taken place; but I do believe that there are some things which arise out of the discussion and some perhaps have not been mentioned, which should be clarified by the minister before we finally adopt with enthusiasm his suggestion.

I am somewhat confused as to just what the procedure is to be in the special committee on estimates. I think I should say it would appear that in the minds of many speed is the requirement and speed is what we should be aiming at. I would suggest that really time is not the important element in this as much as efficiency.

With respect to the procedure in the committee, it would appear that all parties seem to be in agreement on one thing anyway, namely, that policy is the business of the government and the responsibility of the minister, and that officers of the department should not properly be questioned on matters of policy. I do not think anyone will deny that under our system of government the minister is responsible for all the details of his administration. He cannot foist on the shoulders of his officers the responsibility for his administration any more than the responsibility for the policies that he advocates.

Now, coming to the procedure in the committee, I am inclined to agree with the hon. member for Greenwood (Mr. Macdonnell) that the business of carrying on by whispering or *sotto voce* suggestions will be impracticable if not futile in the narrow confines of a committee room. Pretty nearly all the members of the committee will hear the replies that the deputy minister whispers to his minister and naturally the members of the committee will say: "Well, Mr. Minister, ask him this or ask him that", which would be a sort of three-handed form of questioning which would finally finish up by being a bit ridiculous.

I would say that there should be nothing in the order of reference nor in the intentions of the government to preclude officers of the department from being examined and cross-examined. But I would say this: If any minister believes that he on his own can answer all the questions which an ingenious opposition can put to him, well, then, let him try it.

Mr. Fraser (Peterborough): He would have to be good.

Mr. Power (Quebec South): He would have to be good. I do not know whether the question arises or not, but out of these circumstances it would appear to me that inevitably the questioning would be addressed to the officers of the department. In any case, I would suggest to the minister that he make it perfectly clear to the house there will be no prohibition on officers being asked questions if the minister cannot reply to them himself.

I am not quite sure whether the order of reference should not be altered to meet those conditions. Perhaps, as has already been said, when the individual estimates are referred, the ministry may adopt the idea of stating in the order of reference that matters of policy are not to be discussed in the committee, but I do not think I would go as far as the hon. member who last spoke. I would suggest that matters of policy could be discussed in this special committee, and that questions respecting policy should be addressed only to the minister and not to his officials.

If the order of reference is not wide enough and does not go far enough I suggest to the minister that it should be widened. This is something new; it is an experiment. If in the government's mind it is a reform let us treat it as a reform and see that it is properly framed so that it operates. If it is

only a concession to my hon. friends of the opposition then let us make our concession freely and willingly, not grudgingly.

Reference has been made to the United States system of committees, and to the British system. With respect to the system in the United States it should be quite clear to all of us that on account of the differences in our parliamentary and constitutional practices it would not be easy and indeed might be very difficult for us to adopt anything like the United States system.

In the first place, in so far as I am able to judge their system does not carry any ministerial responsibility. The ministers are not even in the house. There does not appear to be any governmental responsibility for appropriations since any member of congress may move to add additional expenditure to appropriations. One reads of dozens if not hundreds of bills being introduced by private members for the purpose of giving pensions to worthy soldiers or civil servants. One also hears a great deal of the practice known as log-rolling, whereby certain members of congress agree with certain other members to obtain larger expenditures in their particular regions of the country. In view of these things any attempt to import the United States system would, I believe, be useless in this country.

With respect to the British system, it is worthy I believe of consultation and should perhaps be consulted, but I am reminded of a book I read recently with reference to the British House of Commons. It is a house, as we all know, replete with respect for customs, usages, and tradition. But something like 100 years ago they had to alter the rules of that house very radically indeed. Up to that time it had been known as an English gentlemen's club. Unfortunately, a large group of Irish arrived. The Irish were not Englishmen, and they had no ambitions whatsoever to be gentlemen.

With respect to us, we are not Englishmen either. We have our own traditions and 80 or 90 years of parliamentary government. Surely with these traditions back of us we can feel a way or invent a way whereby we can make our parliamentary system work without slavishly following that of any other country.

Going back to the story I mentioned, with respect to the Irishmen—though perhaps I had better not make any invidious comparisons in connection with the second qualification. However, I should say that owing to our own hypersensitivity with respect to the language used in the house, and owing to the decisions of successive Speakers, we have to some extent lost the flavour and saltiness of the forthright language of our pioneer forebears, and in our attempts to become gentlemen quite a number of us have become little Lords Fauntleroy minus the lace collar and well brushed curls.

However, and be that as it may, I should say there are very great advantages in referring estimates to a special committee. These advantages have been enumerated by hon. members on all sides of the house, though I confess I was a little surprised that the hon. member for Greenwood (Mr. Macdonnell) did not appear to share the enthusiasm of his neighbour who last spoke and favoured referring these estimates to the committee.

Nevertheless the control, criticism, and scrutiny of the estimates is one of the bulwarks of the opposition. The opposition should, if it is doing its duty, take every possible step to see to it that these expenditures are appropriate and in the interests of the country. May I say as one who enjoyed being in the opposition for two parliaments that I have great sympathy for the opposition, and believe it is the duty of the government and the house to give the opposition every opportunity to scrutinize these estimates.

With respect to hon. members on the government side, perhaps it should be said that there is no constitutional or legal bar to their scrutinizing the estimates also. Such scrutiny is not by law, practice, or the constitution the sole prerogative of members of the opposition. I suggest to many hon. members on the government side that they too would learn a great deal about the function of government, they would learn a lot about the inner workings of departments, if they would take the time and trouble to scrutinize the manner in which estimates are prepared and brought to this house.

From the standpoint of the government I can think of no better procedure than to have deputy ministers appear before parliamentary committees. Anyone who has been in the government must be aware of the almost intolerable pressure brought upon ministers to increase the estimates of the departments. Whether it be the natural tendency to empire-building which exists in all departments and which is very difficult to control; whether it be the pressure to have new gadgets in departmental offices; or whether it be only keeping up with the Jones's in some other department, the ministers have only one way of protecting themselves against this pressure from their officials and that is to be able to say, "No, I cannot get by with this in the House of Commons." If the departmental officers are brought face to face with members of the house and made to understand the reluctance of members to give in to their

whims and fancies, then perhaps the minister would have a much easier time with his department. Without being derogatory in any way to our civil service, I think it would be a good idea to match bureaucracy face to face with democracy as represented by the members of this house.

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): Mr. Speaker, this subject has now been thoroughly discussed, and I do not intend to take time rehashing the arguments that have been made. However, I rise to support this resolution enthusiastically. No matter how badly this experiment may turn out, it cannot result in a situation worse than what we have today. Every hon. member, I think, realizes that members of parliament simply are not in a position to properly examine our estimates under the present system. All they can do is a superficial job. I am hopeful that when this committee is set up we can do much more effective work.

Speaking personally, I am going to judge the success or failure of this committee by whether or not we are able to save the taxpayer any money. Some hon. members seem to look upon speeches advocating economy as a kind of joke. They do not seem to be much interested in saving the taxpayer's money. I was rather surprised to hear a Scotsman rise in his place this afternoon and take such an attitude. I always thought most Scotsmen watch their money carefully; and if they watch their own money carefully, I think it is fair to expect them to watch just as carefully the money of the people they represent. As I say, I think this committee will be judged, at least in part, by the amount of money we can save the taxpayer.

I think this may be a task at which many backbenchers can make themselves useful. Early in the session there is usually a period of about two months when there is not too much work at hand. I think that backbenchers can be particularly useful on this committee. We can go into these estimates in some detail, and give them a thorough examination.

The hon. member for Quebec South (Mr. Power) made some reference to the United States system. There may be some features of the United States system that we do not like, but there is at least one practice that appeals to me. As I understand it, in their committees the opposition are given experts or paid officials who can help them go into the matters being discussed in detail. If, as the hon. member for Quebec South suggested, the government are anxious to help the opposition with their task, I suggest they copy this United States practice. If we are discussing the Department of Finance, for example, may I suggest to the minister that he should give us two or three of his officials, tell them that whatever they do or suggest will not be held against them, and let them help the opposition examine and criticize the finance department's estimates. My understanding is that in the United States that is done, and I think it is sound.

There is one other point I should like to make. The minister today named four departments which would be referred. It seems to me it might be better if the estimates committee met and then themselves chose the department they were going to call. In that way the particular department would not be all ready; they would not be prepared, and you might get a more effective examination.

Mr. Speaker, I am convinced that government is the biggest business we have in Canada. We are spending about $5 billion. In that expenditure there surely must be many places where we can save the taxpayer money. I am hopeful that this estimates committee will be a real step in the right direction. I say again that I heartily support the setting up of the committee.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I am sure hon. members listened with attention to the words of the hon. member for Quebec South (Mr. Power) as he gave to the house his experience that goes back over more than 38 years, during which time he was not only a member of the opposition for two parliaments, as he said, but was also a minister of the crown.

As I listened to him I could not but recall an incident that took place I think it was in 1941, when I was a member of the war expenditures committee. At that time the hon. member was the minister of national defence for air. I spoke one evening and offered strong criticism against the training of air personnel by civilian authorities, indicating that in my opinion profit was being made at the expense of the state of war.

I was young in the house in those days, and I received a castigation from the hon. member for Quebec South. Next morning he called me on the telephone and told me—

and in saying this I do not believe I betray any personal confidence—that he had found that the remarks I had made were in accordance with fact. That afternoon he rose in the house and stated that he had made an error the night before in his criticism of my criticism, and in effect said, "This thing will be ended once and for all", and it was ended. To me that was an example of what can be achieved when ministers of the crown have some regard for the criticism offered conscientiously and seriously by members of the opposition.

The Minister of Finance, with some suggestion of pride, referred to the fact that in 1921 there had been before the House of Commons a motion to provide for the setting up of a committee somewhat analogous to the one envisioned by the motion now before the house. It is interesting to go back and to read that motion, which was moved by a distinguished predecessor of yourself, Mr. Speaker, the late Hon. Rodolphe Lemieux. The resolution read as follows:

> That, in the opinion of this house, in order to co-ordinate and expedite the business of parliament in a more intelligent and practical way, the estimates of the various departments should, before being laid on the table, be scrutinized by a special committee of the house, where officers would be summoned to appear with plans and reports bearing on each appropriation.

Among those who participated in the debate was the then leader of the opposition, Mr. Mackenzie King, who gave considerable support to the views then expressed. The members of the government who spoke in the debate took the stand that a committee such as that which was asked for by Mr. Lemieux might invade the prerogatives of the cabinet inherent in our constitutional system. That committee would have had much wider powers than the one now contemplated.

As one looks back over the years one cannot but see that, year in and year out, less and less often is there a careful, penetrating examination of expenditure. A few moments ago my friend the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) expressed the hope that a committee such as that which is contemplated by this resolution may be able to help discharge a needed responsibility in the examination of expenditures and expressed the hope that something in the nature of the practice followed in the United States congress would be adopted here.

I hope not. Committees in the United States congress, as the hon. member for Quebec South (Mr. Power) has pointed out, are not similar to ours. Indeed, one of the major criticisms of the system in the United States is that while partisan politics are forgotten in committee there is grave danger of log-rolling, resulting in expenditures that otherwise would not be made. Members of the committee separate themselves from their political parties and, voting either one way or the other regardless of any party considerations, do on occasion advance their own ideas for their own pet expenditures by supporting the pet ideas of other members of the committee. The result is not control of expenditures but additional expenditures.

Under the United States system there is of course no control by the legislature over the expenditures made. Our controls over expenditure as I understand them are as follows; first by the cabinet, and then through the treasury board. Then when grants are sought from parliament discussion takes place and in theory at least an examination is made of the expenditures that are asked for by the government. There is criticism in the committee of supply but, as the hon. member for Greenwood (Mr. Macdonnell) said a moment ago, seldom if ever is there any reduction. I know of only one instance in the last 15 years, and I think there was one other case between 1935 and 1940. But, generally speaking, after the criticism is over the item goes through either by virtue of the majority or by reason of the exhaustion of the opposition.

There is one further protection, and that is in the report of the Auditor General. All the expenditures of parliament, except a very limited number, are audited by him. During recent years—and the trend has been an accelerating one—more and more crown corporations have been established. In my opinion there is no proper examination possible in parliament of overexpenditure by crown corporations. They enjoy a peculiarly isolated protection from examination by parliament.

There are two examples I might bring to the attention of the house to indicate the degree to which the difficulty of careful examination of crown corporations has been shown. One has to do with the Auditor General's report of last November in connection with the Canadian Broadcasting Corporation. The Auditor General pointed out

that he had made certain criticisms of expenditures of the C.B.C. in previous reports but apparently no attention was paid by the C.B.C. to the criticisms offered. His report read:

> Still applicable is the comment in previous reports to the effect that the appropriateness of the accumulated allowance for depreciation and obsolescence is open to question for the reason that the rates used through the years have never been scientifically established or consistently applied.
>
> Weaknesses having been noted in the accounts, this office wrote to the chairman of the board of governors on October 23, 1952, with supporting details . . .

The words he used were:

> . . . it is suggested that the system be carefully reviewed, and appropriately revised and co-ordinated so that there may be no need to qualify the audit certificate in this regard.

That was proper criticism. What did the C.B.C. do? It simply ignored it. I say that as far as crown corporations and emanations of the crown are concerned there is need for an examination to take place in parliament. I mention something that took place yesterday, not for the purpose of discussing the decision made but to indicate just how far removed these institutions are from the control of parliament and responsibility to parliament. Whenever they need money they come to parliament, but whenever we endeavour to ascertain whether they have overexpended or recklessly wasted, then they hide behind the fiction that parliament has no right to know.

Yesterday I made a motion for the production of all letters and communications that had passed between the Department of Transport and the C.N.R. respecting the lease of the Queen Elizabeth hotel in the city of Montreal to the Hilton interests. The answer was that it was not in the public interest to produce the correspondence. The $20 million for the construction of the hotel came from the Canadian people, Mr. Speaker; and it seems passing strange that with such an expenditure, and having in mind that parliament will ultimately have to put up any deficits on the railroad, parliament should have no opportunity of controlling expenditures made by this and other crown corporations and emanations except as now provided for in a limited manner.

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

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 152, REVISED STATUTES OF 1952—VOLUNTARY REVOCABLE CHECK-OFF OF UNION DUES

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 7, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

He said: Mr. Speaker, it is not my intention to speak at any length in proposing the second reading of Bill No. 7. My reason for such self-denial is that I am sure hon. members will agree that just about everything that can possibly be said about the voluntary revocable check-off, both for and against, has been said during the debates that have taken place over the last number of years. But, Mr. Speaker, even in the breast of an opposition member hope springs eternal, and I dare to believe that one of these times—it might be this year—we will reach the point when the government will decide that the time has come to implement its own promise in connection with this matter as set out in the Liberal platform adopted at the Liberal party's last national convention, which was held in 1948.

I remind hon. members who belong to that party that in their convention of that year they went on record as favouring legislation providing at least some form of union security. I remind them too that when they adopted that plank at their national convention in 1948 it was only a few months after a concrete proposal for union security in the form of the check-off had been dealt with here in parliament.

The concrete proposal was the amendment to the then new federal labour code which was moved in the industrial relations committee by the hon. member for Spadina (Mr. Croll). Every year since then the wording of that amendment has been the basis of a bill which has been presented to the house in my name. As for what happened in 1948, the amendment was written into the labour code in the industrial relations committee on the motion of the hon. member for Spadina, but when the bill came back to the committee of the whole house, on motion of another Liberal member the voluntary revocable check-off was deleted from that bill. We have had a difficult time ever since trying to get the proposal back into the legislation.

I have mentioned what happened in 1948 so as to remind Liberal members in particular that when they decided at their national convention in the latter part of 1948 that they stood for union security, it was in the light of the proposal to that effect which had been made in parliament by one of their own members. So I say, Mr. Speaker, I dare to hope that this year the government might have reached the decision that it is time to implement a promise made in 1948. I realize this is only 1955, only seven years since that promise was made, and that would be lightning speed for the Liberals; but who knows, such a thing might happen once in a while.

Another hope I have, Mr. Speaker, is that by now something might have developed as the result of a report that was made to the House of Commons in 1953. In the session of that year this same bill of mine was before the house, and on the motion for second reading the minister moved an amendment that the bill be not then read a second time but that the subject matter thereof be referred to the standing committee on industrial relations. After considerable study that committee made a report to the house in which it said this:

> Your committee endorses the principle of Bill No. 2—

I interject to say that Bill No. 2 of 1953 was identical with Bill No. 7, which is now before us.

> —and recommends that the principle of the said bill, together with the submissions included in the printed minutes of proceedings and evidence of the committee on the subject matter of this bill, be considered by the government in its review and proposed revision of the provisions of the Industrial Relations and Disputes Investigation Act, which the committee is informed is now under study.

That report was made by the industrial relations committee on Tuesday, April 28, 1953. On May 5, 1953, on the motion of the then chairman of the committee, this house concurred in the report of the committee and made that recommendation its own. As I say, that is another reason for the eternal hope that springs within me that one of these days this measure will be accepted by the government and will become law.

Despite the fact that full details are on the record as to what this bill calls for, perhaps I should take just a moment to spell it out. It asks for what is known as the voluntary revocable check-off. It asks for a provision to be written into the federal labour code making it the law that if a union which is certified under the provisions of that code wishes to have the check-off on a voluntary and revocable basis, it shall be given that check-off on that basis, as a matter of right. Even after that right has been given to a union, under the provisions of this bill it becomes necessary for each individual member of the union who wishes to have his dues deducted and paid over to the union to sign a card to that effect. Even after that, each such member has the right under the provisions of this bill to revoke that request if he wishes to do so. In other words, Mr. Speaker, this is the minimum of what is known as union security that any legislation could possibly provide.

I point out that the railway workers of this country, who are the largest single group to come under federal labour jurisdiction at the moment, have more than this. They have the Rand formula, which is an even more far-reaching form of union security. I point out that legislation similar to the bill now before us is on the statute books of a number of provinces in this country. Therefore this is not legislation that is very radical in character. I point out as well that this has been requested repeatedly by the major labour congresses of this country. I would remind the house also that more Liberal members have voted for this bill than for any other opposition motion or bill that has been before the house for a long time. In other words it is quite clear that there is a strong sentiment for this kind of legislation when a dozen or more Liberals, on occasion, can stand up and vote for a measure of this kind, despite the fact that up to the present the government has not seen fit to endorse it.

As I said at the outset, I feel that on this occasion it is not necessary to speak at length on this measure. It is well known and almost everything that could be said either for or against it has been said, and said a good many times. I suppose if the government is not prepared to accept this bill, the debate may continue. It could be subjected once again to the talking-out process, and I imagine in that case certain members on the other side will make the same speeches they have made before. If the senior member for Halifax (Mr. Dickey) for example makes his speech, which I know so well, no doubt I shall make the same interruptions at the same points. We have been through it over and over again

Surely the time has come when the government should accept this measure on its merits. It is, I submit, a gesture to labour in recognition of the extremely important role that labour plays in our economy.

I have pleasure once again, Mr. Speaker, in proposing second reading of this bill for the voluntary revocable check-off, and I hope this time it will be accepted by the house.

Hon. Milton F. Gregg (Minister of Labour): My hon. friend has been commendably brief this afternoon, Mr. Speaker, in presenting the motion for second reading of this bill. I suppose he would include me amongst those who will give the well known speech and cover the well worn ground. I shall be commendably brief too, I hope, but I think I should refer to the fact that the meat of the recommendation of the standing committee of 1953 to which he referred was to the effect that the principle of this bill, together with the submissions included in the printed minutes of proceedings and evidence, be considered by the government in its review and proposed revision of the Industrial Relations and Disputes Investigation Act.

The committee had been informed this act was under study. I indicated to the house on February 23 last that the study recommended by the standing committee was going forward. I indicated at the same time that the Industrial Relations and Disputes Investigation Act was not a very old act and that the officials of my department wanted to take time to review the amendments that were based on very useful years of experience. I made no apology then for going slow and I make none again this afternoon.

Following the discussion of the bill last year came the vote on second reading. I watched the result of that vote with interest, because it was the first opportunity on which the twenty-second parliament of Canada had a chance to express itself on this particular legislation. As my hon. friend said, there were members from all parties in the house who voted for the bill, but the fact that the total vote showed 107 against and 51 for did not indicate that the house as a whole was, at least then, in favour of this particular bill. I think it would be worth while to let the house know that I have had a survey made concerning the incidence of the check-off in all its various forms in industrial establishments which come under the federal jurisdiction. Figures showing the number of employees in crown companies and in industries under federal jurisdiction who were covered by collective agreements providing for a voluntary revocable check-off, or some other form of check-off of trade union dues, revealed that the question of the check-off has become, in truth, a common subject for collective bargaining in those activities under federal labour laws. This of course is where my predecessor in this department, and I, have stated from time to time the present government feels this matter of check-off really should be decided, namely by collective bargaining.

It appeared to me that members of the house might like to have the general picture of how the unions under federal jurisdiction appear to view this alleged boon, the voluntary revocable check-off. The author of the bill has constantly called it the "very minimum of union security". I think we have a right to infer from his speeches that there must be a very great many workers under our jurisdiction deprived of something that we should see that they have, as a minimum of union security.

Well, I was very curious, and set in motion a survey designed to find out just exactly how the situation stood. If I have your permission, sir, I should like to place on *Hansard* the schedule I have prepared, and in doing so I shall indicate what it contains. This schedule bears the heading "Employees Under Federal Jurisdiction". It has four subheadings, the first of which sets out the total employees under federal jurisdiction; the second shows total employees under agreement; the third shows total employees under agreement providing for check-off of some kind, and the fourth shows total employees under agreement providing for voluntary revocable check-off. Then down the left side are set out the various activities coming under the federal labour laws. The total of those in the first column, namely, the total employees under federal jurisdiction, is given as 392,500; the total of the second column, showing the total employees under agreement, is set out at 277,800; the total in the third column, the total employees under agreement providing for check-off is shown as 223,400, and the total in the fourth column in which are shown the total employees under agreement providing for voluntary revocable check-off is

shown as 35,488. I am giving all these totals in round figures.

If I have permission I should like to place the complete table on *Hansard*.

Mr. Deputy Speaker: Has the minister leave?

Some hon. Members: Agreed.

Mr. Gregg: It is as follows:

EMPLOYEES UNDER FEDERAL JURISDICTION

Numbers under collective agreements:
Numbers under agreement providing for check-off:
Numbers under agreement providing for voluntary revocable check-off:

	I	II	III	IV
	Total employees under federal jurisdiction *(a)*	Total employees under agreement	Total employees under agreement providing for check-off	Total employees under agreement providing for voluntary revocable check-off
	Round figures			
Transportation—				
Railroads (including express and excluding commercial telegraph operations)	204,400	177,600	150,800	1,300
Shipping (including stevedoring)	35,200	32,000*(b)*	8,400	2,900
Air	10,100	6,300	4,400	20
Motor and all other	6,000*(c)*	6,000	5,700	600
Communications—				
Telephone *(d)*	37,900	31,200	31,200	25,600
Telegraph and cable	11,600	6,400	6,300	100
Broadcasting	5,100	2,300	2,200	8
Terminal elevators	3,600*(c)*	3,600	2,600	360
Mining	3,800	3,100	2,500	2,500
Manufacturing	13,600	6,900	6,900	2,100
Service (C.N.R. hotels)	2,400*(c)*	2,400	2,400	nil
Other government enterprises *(e)*	11,700	nil	nil	nil
Banks	47,100	nil	nil	nil
Totals	392,500	277,800	223,400	35,488*(f)*

(a) Estimated.
(b) Insofar as some longshore workers move from summer to winter ports, they may be counted twice as employees under agreement.
(c) Number under agreement; total figure for employment would be somewhat higher.
(d) Quebec, Ontario and British Columbia only.
(e) Includes Canadian Arsenals Ltd.
(f) Figures in column IV are also included in figures shown in column III.

Now let us look at the prevalence of the check-off in relation to the estimated total of 392,500 persons who are employed in industries which come under federal jurisdiction. That, incidentally, includes crown companies. To begin with, this total of 392,500 employees should be reduced by an estimated total of 39,250 persons employed in a managerial or supervisory capacity, who are outside the scope of the Industrial Relations and Disputes Investigation Act. Further it should be reduced by 47,100 employed in banks, and by 11,700 employed in other government enterprises who are not organized and are not covered by collective agreements.

Of the remaining 294,450 employees who are employed in industries under federal jurisdiction, in areas of employment where there is an established pattern of organized bargaining, the survey revealed that 277,800 are actually covered by collective agreements, and that 223,400 are subject to some form of the check-off. That means that slightly more than 80 per cent of the employees who are covered by collective agreements already enjoy the check-off, if one may use

that expression, in some form or other. In every case it was gained by collective bargaining.

In his remarks this afternoon the hon. member referred to the manifesto of the Liberal party at its 1948 convention. He said, and truly, that the Liberal party had indicated that it stood for union security. I would point out to him, however, that the Liberal party at that time did not indicate that it favoured this particular bill. I would also say that if the check-off is, in truth, the great boon to union security that he indicates, then the figures I have quoted show that 80 per cent of the workers of Canada coming under federal jurisdiction have, in the intervening years, gained that great boon by collective bargaining.

The survey is even more revealing in regard to the type of union security contained in the check-off provision I have mentioned. Of the 223,400 employees who are subject to some form of the check-off, only 35,488 come under the voluntary revocable check-off, the form which the author of the bill under consideration has called "the very minimum of union security". As against this 35,488 having the minimum of union security, the remaining 187,912 employees have some form of check-off which from the point of view of the trade unions must be more advantageous and desirable than the voluntary revocable check-off. In fact, the survey shows that in relation to 166,433 of the employees in question, the check-off is compulsory for all workers affected by the collective agreement, although the condition of union membership is not compulsory.

I would suggest, too, that if the check-off is a matter concerning which there is such a widespread habit of collective bargaining, as I have mentioned, then it is a matter which should be left to the parties to deal with.

Further, if parliament did legislate in this matter it would seem for the first time, as I have mentioned before, to be legislating in favour of one side in the field of laws relating to the conduct of industrial relations between management and labour. This would be contrary to the general principles now embodied in our industrial relations legislation. The concept of that act is that there should be voluntary agreement by management and labour upon the terms of the contract that would bind both parties.

The act is now free from coercive features relating to the substantive provisions of collective agreements, with the single exception of the requirement that every agreement shall contain a provision for the final settlement of differences as to the meaning or violation of the agreement. Of course that provision applies to both parties concerned. This freedom should be maintained; and it should not be forgotten that collective bargaining rights exist for the employer as well as for organized groups of employees.

The bill proposed by the hon. member would apply specifically in the case of "a trade union entitled to bargain collectively" under the act. The check-off provision is thus tied in with the exercise of collective bargaining rights. From our survey of collective agreements in the federal field of jurisdiction it is abundantly clear that the unions, acting as collective bargaining agents, have been able to make arrangements which, in many instances, go substantially beyond the provision for a voluntary revocable check-off and which, from their point of view, are more adequate and beneficial.

On the principle of the check-off, the attitude of the federal government is revealed by the check-off provisions which have been made in numerous collective agreements entered into by crown companies. This has been left to collective bargaining by those responsible for the management of crown companies. It is significant that in many instances, covering a very large number of employees of crown companies, bargaining has resulted in provisions for various types of the check-off of union dues in favour of the unions representing the employees.

The hon. member referred in passing to the fact that it had been suggested by the standing committee on industrial relations that the principle of this matter be carried along in conjunction with other amendments that it was indicated the department was bringing forward. The other day in the house, in response to a question, I stated that we were not for the present recommending those other amendments to the Industrial Relations and Disputes Investigation Act for two reasons. One of them was the case which is now before the supreme court, which I mentioned at that time. The other is this. Last summer there were some very serious discussions surrounding a dispute between the representatives of labour and management of our railways. By that time the dispute had gone through all the processes of the conciliation machinery provided by the Industrial Relations and Disputes Investigation Act. Finally both parties consented to agree to the decisions of an arbitrator to be appointed by the government on the recommendation of the Prime Minister. The arbitrator made his findings which have been accepted as the basis for a new agreement, which is now practically completed.

Since the first of this year the same committee representing the non-operating unions of the railways has been discussing a broader

question looking toward the future of collective bargaining in railway disputes generally. It has been reported that these discussions have touched upon the effectiveness or otherwise of certain features of our Industrial Relations and Disputes Investigation Act. It has been reported also that later discussions may be conducted on the same question between the union committee and the railway management. If, as time goes on, suggestions are put forward to improve the usefulness of the act, we shall be glad to give those suggestions consideration. In the meantime I think we might postpone opening up the act for these other amendments that I referred to a moment ago.

As for myself, Mr. Speaker, I shall once more find it necessary to vote against this bill.

Mr. C. E. Johnston (Bow River): I should like to say a word on this bill. This is not the first occasion that we have had this particular measure before us, and it is not the first occasion on which I have expressed my views in regard to it. The minister and the hon. member for Winnipeg North Centre (Mr. Knowles) have gone into the details of the bill quite sufficiently; therefore it is not my intention to deal with that part of it.

I want to speak more particularly with regard to the principle of the bill. We as a party have always maintained that we would do everything within reason to see to it that the workingmen of this country enjoy the greatest possible security in the field of trade unions, and the highest possible standard of living which they can attain. We have taken the stand that the voluntary revocable check-off is something the unions should have. As I have indicated on other occasions, we in Alberta have taken the lead in this country. Therefore we are just following the pattern which we have set in that particular legislation.

I recognize immediately, Mr. Speaker, the importance of having this legislation in the form of an amendment to the act itself, because it has been the experience of almost everyone who has had anything to do with labour organizations that some workers who enjoy the benefits that have been derived from the efforts of unions will take no part in financing the obligations of those unions. That is wrong. Anybody engaged in industrial labour should pay his fair share of the expenses incurred in getting the advantages. We know that from an industrial and economic point of view our whole national economy is dependent upon the amount of money which the labouring people, the agriculturists and others have to spend. If they have not the money to spend, then of course the whole economy of the country is wrecked.

We recognize that immediately, Mr. Speaker, but I must point out, as I did on another occasion, one of the great objections I have to this type of legislation. I should not say "to this type of legislation", but more properly to the abuses to which it may lead. It is true that there are branches of labour organizations in this country who subscribe to the aims and policies of a political organization. I am not going to beat about the bush. The C.C.L. do subscribe to the political views of the C.C.F., and they have made the C.C.F. their political action arm. They may think that is proper.

I have always supported labour organizations, and they have always had my sympathy. Generally speaking, the people across this country are sympathetic to labour's aims, and they see the advantages of having a proper industrial organization in Canada; but at the same time a great many people object strongly to the unions siding with any political party. I have said without hesitation on occasions in my own riding, in the Drumheller valley and in East Calgary when that was part of my riding, both highly industrialized sections, that I would not want the unions to come out and support our organization as a political unit.

It is wrong. Every individual member of a union should have the privilege of supporting any political party he desires to support.

When you find some unions subscribing from $100,000 to $200,000 for political purposes during election periods then it is a bit out of reason. Some people say the money is not from such sources. However, I would maintain that if unions have that much money to put up for political purposes they do not have to extract such large amounts from the membership in the form of dues and in other ways.

I wish to make it quite plain that I am in wholehearted sympathy with workingmen. I want to see the unions progress. I want to see them with very strong labour union representation, and I want to see the voluntary revocable check-off instituted in law. I believe it is a good thing. But I would say this to unions. I believe it is unfair to the membership of the union and it does not serve a good practical purpose for any union to sponsor any political party.

Having said that may I say again that I am going to support this measure.

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

The house divided on the motion (Mr. Knowles) which was negatived on the following division:

YEAS

Messrs:

Applewhaite	Herridge
Argue	Holowach
Balcer	Johnson (Kindersley)
Barnett	Johnston (Bow River)
Bell	Knight
Blackmore	Knowles
Bryce	Leboe
Bryson	Low
Byrne	MacInnis
Cameron (Nanaimo)	McLeod
Campbell	Montgomery
Castleden	Nicholson
Charlton	Patterson
Croll	Poulin
Diefenbaker	Quelch
Dinsdale	Regier
Dufresne	Shaw
Ellis	Stanton
Eyre	Starr
Fairey	Stewart (Winnipeg North)
Gagnon	Thatcher
Gillis	Thomas
Girard	White (Middlesex East)
Goode	Winch
Green	Wylie
Hahn	Yuill
Hardie	Zaplitny—54

NAYS

Messrs:

Aitken, Miss	Garland
Anderson	Garson
Arsenault	Gauthier (Lake St. John)
Ashbourne	Gauthier (Nickel Belt)
Batten	Gauthier (Portneuf)
Bennett (Grey North)	Gingras
Blair	Gour (Russell)
Blanchette	Gregg
Boisvert	Hanna
Bonnier	Harkness
Boucher (Restigouche-Madawaska)	Harris
Bourget	Harrison
Bourque	Hellyer
Breton	Henderson
Brisson	Hodgson
Brooks	Hosking
Brown (Brantford)	Houck
Brown (Essex West)	Howe (Port Arthur)
Buchanan	Howe (Wellington-Huron)
Cameron (High Park)	James
Cardin	Jutras
Caron	Kickham
Carrick	Kirk (Antigonish-Guysborough)
Cauchon	Kirk (Shelburne-Yarmouth-Clare)
Clark	Lafontaine
Cloutier	Langlois (Gaspe)
Dechene	Lapointe
Decore	Lavigne
Denis	Leduc (Gatineau)
Deschatelets	Leduc (Jacques Cartier-Lasalle)
Deslieres	Leduc (Verdun)
Dickey	Lefrançois
Dupuis	Legare
Fleming	Lennard
Follwell	Lesage
Forgie	Lusby
Fraser (Peterborough)	Macdonnell
Fraser (St. John's East)	MacDougall
Fulton	MacEachen
Gardiner	MacNaught
	Macnaughton
	McBain
	McCubbin
	McCulloch (Pictou)
	McWilliam
	Mang
	Marler
	Masse
	Matheson
	Meunier
	Michaud
	Michener
	Mitchell (London)
	Monette
	Monteith
	Nixon
	Nowlan
	Pickersgill
	Pinard
	Pommer
	Pouliot
	Power (St. John's West)
	Proudfoot
	Prudham
	Purdy
	Reinke
	Richard (Ottawa East)
	Richard (St. Maurice-Lafleche)
	Richardson
	Roberge
	Robichaud
	Robinson (Bruce)
	Robinson (Simcoe East)
	Rouleau
	Rowe
	Schneider
	Shipley, Mrs.
	Simmons
	Small
	Stick
	Stuart (Charlotte)
	Studer
	Thibault
	Tucker
	Tustin
	Valois
	Villeneuve
	Vincent
	Weaver
	Weir
	Weselak
	White (Hastings-Frontenac)
	Winters—133.

Mr. Speaker: The business reserved for this hour having been dealt with, the house will now revert to the business with which it was dealing prior to five o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

HOUSE OF COMMONS

APPOINTMENT OF SPECIAL SELECT COMMITTEE TO CONSIDER CERTAIN ESTIMATES

The house resumed consideration of the motion of Mr. Howe (Port Arthur):

That a select committee to be designated be appointed to consider such of the estimates as may be referred to it and to report from time to time its findings and recommendations to the house.

Mr. Diefenbaker: At five o'clock, Mr. Speaker, I was dealing in general with the expenditures of crown corporations and their immunity from serious examination by parliament. They finance through parliament, but their responsibility to account for the moneys they receive and the manner in which they dispose of them is, to all intents and purposes, above consideration by parliament. There is, in truth, a committee on broadcasting to examine the affairs of the Canadian Broadcasting Corporation and a sessional committee on railways to consider the auditors' report on the Canadian National Railways, but the examination made is ineffective and largely perfunctory.

I had referred to the request for information regarding the Queen Elizabeth hotel in

the city of Montreal, a matter that is very much in the minds of the Canadian people. It seems difficult for those with even a modicum of business experience to understand why a fabulous sum of money should be expended on the construction of a hotel by a public corporation which, instead of operating the hotel after completion, turns it over under lease to another company. I prefer to call it a lease, although the minister referred to it as simply a contract for operation.

Mr. Marler: For management, I said.

Mr. Diefenbaker: Yes. I did not have the exact nomenclature in my mind, but to me it is a lease. It is a difficult thing for people to understand the reason for the change of front. Certainly the hotel could not have been in its original concept simply a building to turn over on a management lease or a contract to a company outside of Canada, or indeed to any company in Canada. When a request was made for the production of the documents one would have thought that the minister responsible to parliament would have shown alacrity in giving the information. The minister, however, relied on the defensive stand that it was not in the public interest, and that the course of not revealing such matters which had been followed in the past was being followed in this case.

I am not dealing in any way with the decision that was made by the house yesterday, but I simply point out this, sir. If, indeed, that is the general regulation affecting parliament, then all I can say is that parliament pays the piper for some of these crown corporations, but they are able to dance to whatever tune they feel like dancing to, regardless of the attitude of the piper. To carry it a little further, the refusal in the public interest to answer a question such as this is tantamount to drawing the blind of secrecy in order to exclude the searchlight of full disclosure to parliament.

However estimable a minister of the crown may be, human nature being what it is there would be considerable temptation for the minister to take this stand when questions might be politically embarrassing. After all, if that power rests in a minister of the crown there is no question that could be brought before the House of Commons upon which the minister, so long as his party stood with him, would not be able to deny information by the simple expedient of saying it was not in the public interest.

So far as the Canadian Broadcasting Corporation is concerned, two years ago they defied the Auditor General, who said their system of bookkeeping was wrong and did not properly reveal the position of their affairs. They paid no attention to him. Last November he repeated his criticisms, and since then the broadcasting corporation has decided to pay attention to the recommendations that were made. If the Auditor General, who is the watchdog above all watchdogs over expenditures, may be defied by any emanation of the crown, then indeed his operations are restricted, especially if the experience of the Canadian Broadcasting Corporation is repeated in other departments.

Several years ago, I think it was in 1951, there was another example at the time the Ford hotel in Montreal was purchased. It was only upon examination by the Auditor General that it was revealed the building had not been purchased by the Canadian Broadcasting Corporation. It was purchased by the international service of the Canadian Broadcasting Corporation, which service occupied only a small portion of the building while the remainder was rented to the corporation. It is that sort of thing that arouses the interest and the proper criticism of parliament. The Auditor General pointed out that it seemed strange to him that such an irregular course should be followed. In reality, in his eyes, it seemed to imply that the Canadian Broadcasting Corporation was being indirectly subsidized out of the money provided for the international service.

I mention these two examples simply for the purpose of indicating that if, under our present system, when a minister of the crown may say it is not in the public interest to answer questions dealing with these matters he is fortified by precedent, then it is time in the interests of the public in general and a proper examination of the vast expenditures being made by these crown corporations that such a rule should be changed. Such a rule may have had its place 50, 75 or 100 years ago, or even up to 25 years ago when the state was not in public business to the degree it is today. Such a rule, however, applied to the conditions of today can only operate to shackle parliament in investigating expenditures and controlling waste.

So far as the motion before the house is concerned, it is an experiment. I am not optimistic about its success; for the committee system being what it is, with the committees having an overwhelming majority of representatives of the government, there is no real incentive on the part of the majority in a committee to permit matters to be brought before it that may be injurious to the government and the party to which they belong.

Human nature being what it is, I am not saying the situation would be any different

under another government; but the fact remains that in endeavouring to apply, even in a modified form, the American committee system to the British system of constitutional government, there has never been any great success. Endeavours to make it successful have reduced the dangers of the present situation, but have not materially improved it.

In Great Britain, as the hon. member for Eglinton pointed out today, one of the committees has as chairman a member of the opposition. If that system were followed in any of the committees of this house it might bring about at least a degree of interest in the activities of committees, and there would be hope for greater success than has been the general experience in the operation of committees during the time I have been a member of this house.

I do not desire to dash the hopes expressed that the committee will achieve what other committees have not achieved. It is an experiment and I hope it will succeed, because it would provide an opportunity for examination that the committee of the whole cannot provide, in view of the numbers constituting that committee. I do hope it succeeds; but I believe first and foremost, before the committee is set up, when the house moves to go into committee of supply there should be no endeavour to stifle discussion, or to deny to the opposition the opportunity to consider policy and offer such criticisms as in the opinion of the opposition are necessary at this time.

I mention but one department the estimates of which are to be submitted to this committee, that of immigration and citizenship. Mr. Speaker, there is a department that deserves examination and criticism in the house before the committee is set up, and it is but one of several that could be mentioned. I do not single it out for special attention. But I do say that when the committee is set up unless an opportunity is given to make suggestions and criticisms, the examination cannot but be perfunctorily confined to the various items, and the criticism of policy which is so necessary will be denied.

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, quite a bit has been said with regard to this motion before us, to the effect that the appointment of a committee on estimates will be an experiment. I think when an experiment is being undertaken all the evidence of previous experiments along that line should be carefully examined, and care should be taken to see that the benefit of earlier experience is made available to us so we will not repeat errors that may have been made by other parliaments, or other houses of commons, in dealing with this problem.

There has been plenty of criticism of the method of procedure in committee of supply, not only here but in the house at Westminster. People have pointed out the defects in connection with that particular problem which parliament faces each year. Now that we have reached this stage, when a committee on estimates is about to be appointed, it is worth while for us to consider all aspects of the matter and continue to make suggestions to the Minister of Finance so that he might modify the proposals he has presented to us, or take into consideration some points he may have overlooked.

In the first instance, what is the purpose of a committee of supply? Some people have said, and we also read in the newspapers, that the committee of supply exists to pass estimates each year. Well, that is so; but in actual practice what occurs? In May's Parliamentary Practice, fifteenth edition, where he deals with the committee of supply as it operates at Westminster, he points out that in the eighties of the last century the opportunities for a general debate when the house went into committee of supply were limited to four occasions. He says that in 1947 this restriction was removed, and that 26 days are now permitted for consideration of supply. Then he adds this sentence at page 705 which, I suggest, is worthy of note:

> It was intended that facilities for the criticism of departmental administration (now recognized as the real business of supply) should be available throughout the session, not merely during the period when there were estimates before the house.

It is not possible to underline sentences in *Hansard*, but the words to which I want to draw attention are those in brackets, "now recognized as the real business of supply"—namely the criticism of departmental administration.

That is a different concept from the prevailing opinion that in committee of supply our main business is to examine the figures placed before us, and to vote on them as we reach the end of the discussion of the estimates of a department. I realize there has been a considerable volume of criticism across the country with regard to committee of supply, and the statement is frequently made that at the last moment millions of dollars are voted without careful consideration. I am not at all sure that criticism is going to be met by the proposal now before us.

We have had our attention drawn to the work of the external affairs committee over the years. Those who have been on that

standing committee of the house have indicated to us that that is a good method of dealing with estimates. They have the advantage of experience on that committee, which I have not had; but for the last two years, though I have not taken the opportunity here in the house to express it, I have been objecting to that method of dealing with estimates in the committee on external affairs, for this reason. Those of us who are not on that committee never have the opportunity to examine the external affairs estimates here in the House of Commons. We have no opportunity of putting questions to the minister. That is all done in committee.

I am told "If you are not informed, read the reports of the committee on external affairs". We have so many reports of various committees to read that it is very difficult to keep abreast of what is going on, and some committee reports are not published very quickly. They do not appear, as *Hansard* does, the following morning. Therefore I have been suggesting that the external affairs estimates might very well be considered in the committee of the whole.

It might be said, "Well, you would not want to do that all the time". Perhaps not, but once in a while let them come forward here, let the whole house have a go at those estimates, let the whole house interrogate the Secretary of State for External Affairs. Why should he be relieved of questioning in the house on the ground that there has been an opportunity to debate external affairs on the first item and again when the report of that committee comes to the house? There would be no particular harm in subjecting the minister of that department to the same system of interrogation that other ministers have to experience in getting their estimates through the house, and we would all have an opportunity to learn some of the details of that department. That is a contrary point of view to that which has been presented up to date, but it happens to be my opinion.

It is on the basis of the experience of the external affairs committee that the proposal has been brought forward that other departments be examined in the same way. Several references have been made to the experience in the House of Commons at Westminster. I would like to add a little to those references and point out one or two things which seem to indicate that even there the committee on estimates has not been an unqualified success. I shall quote three or four short passages from that excellent standard work called "Parliament", of which the author is W. Ivor Jennings. On page 259 he says this:

> The function of the committee of supply is to examine and consent to the estimates. In practice it is impossible for a committee of 614 members to do anything of the kind. Indeed, it is impossible for a small committee to consider them with any degree of success, even if they are all prepared to study 1,500 pages of figures and explanations and to undertake the long preliminary study which is essential.

Then he deals with the actual work of the committee of supply in the house, and quotes various people who had long experience in the House of Commons at Westminster. On page 298 I find this:

> The debate is technically a discussion on proposed expenditure. Its purpose is sometimes said to be to induce economy in the government; though, as Mr. Lloyd George has said, "it generally ends in a demand that you should spend more money for something or other".

There is a notation at the bottom of that page. He says:

> Compare Mr. Gladstone's statement: "It is more difficult to save a shilling than to spend a million."

The problem was acute even as long ago as Mr. Gladstone's time. Further on Mr. Jennings goes on to say:

> For all these reasons debates in supply are often criticized. Lord Eustace Percy once called them "the most discursive and futile of all our proceedings."

With that some of us here would be in agreement. I continue:

> On the other hand, Sir Austen Chamberlain said: I think they (supply days) are admirable. With the additional occasional vote of censure, they give the private member of the opposition sufficient opportunities for discussing policy, and I do not believe that you can do more in the House of Commons. I do not think that in these days the House of Commons will ever control the details of expenditure. You have to rely for those upon the departments whose business it is to control them. The more opportunities you give to the House of Commons to discuss supply, the more pressure is put upon ministers to spend money.

Then on page 303 he deals with the actual work of the estimates committee, and points out that proposals to establish an estimates committee were made in the house at Westminster from 1880 on, and at various times committees were set up. Reports were brought in suggesting changes and alterations. They had considerable difficulty in determining just what the committee on estimates might do. On page 303 Mr. Jennings says this:

> At no time since 1902 has it been suggested that the committee of supply has been an effective means of controlling expenditure, or even a body concerned primarily with expenditures.

Hence the necessity of having a committee on estimates to look after the detail, letting the committee of the whole house deal with questions of administration and policy. Then he considers the success or failure of the committee on estimates in that house over a period of years, and quotes from the comptroller and auditor general, who, in 1931, was

Sir Malcolm Ramsay. This is what the auditor general said at that time:

> The estimates committee has, I am afraid, failed to realize the expectations of those who advocated its establishment. It is true that it has helped to secure certain useful improvements, generally of a minor order, but it has effected no substantial economies and its results have surely been achieved by disproportionate expenditure of time and labour by members and witnesses, and some at any rate of the matters on which it has made recommendations might equally well have been handled by the public accounts committee (e.g. the re-grouping of the estimates, or the financial control of the empire marketing board).

The last quotation I shall read is simply this, and it is the opinion of Mr. Jennings after his lengthy examination of the work of the estimates committee in the British House of Commons. At page 312 he says:

> The estimates committee is not completely useless. It was particularly useful in re-establishing and reinforcing treasury control after 1920. For the most part, however, it duplicates work done more effectively by the public accounts committee.

Then he goes on to show that the public accounts committee has advantages that the estimates committee does not enjoy. For one thing, the chairman of the public accounts committee is the choice of the opposition; for another, it has the auditor general and various people to assist, whereas the estimates committee has not that assistance granted to it.

The weaknesses of the present plan must be obvious after the speeches we have heard on this subject, and I hope the Minister of Finance will take careful note of the various suggestions that have been made. It is rather a mistake to think that we can effectively control the expenditures that come to us outlining government policy. Every item in the estimates is a government measure; it is not possible to have an item reduced except with the consent of the government, nor is it possible to have items voted down without the government being called upon to resign. Therefore everything that comes before us is actually a government measure presented to us, and it is difficult for us to deal with those estimates from the standpoint of people who are anxious to effect economy. Yet parliament gets the blame for passing enormous sums of money in a few moments at the close of the session, as though we were all to blame for what is going on.

Surely we of the opposition cannot be blamed for what is actually in effect government policy. Our course is to attempt to indicate to the government that their expenditure is wrong, that there should be economies effected, or that there has been waste and extravagance in certain fields. But we as an opposition cannot effect economies which are in reality in the hands of the government. We can talk and vote against the government's declared policy, and they stand or fall by the acceptance or rejection of their policy.

The present proposal does not in my opinion hold out any great hope of a change in that situation. I would have been prepared to accept the proposal in a more cheerful spirit had the minister not hedged it around with certain restrictions. The restriction to which I object is the one to the effect—if I understood the minister correctly—that we would not be able to have a debate on the administration and general policy of a department if the estimates of that particular department were transferred to this committee on the estimates.

Mr. Harris: I did not say anything of the kind.

Mr. Churchill: I said I might have misunderstood the minister.

Mr. Harris: You did.

Mr. Churchill: I am happy to have his correction. If we in the House of Commons can still have a debate on any of these departments before they are dealt with by the estimates committee, or after they return from that committee, then I believe that is a proper safeguard. However, I am not sure that is what the house gathered from the minister's earlier statements. I believe the minister said the committee on estimates was going to conduct its proceedings after the fashion of the committee of the whole house, and that on the first item that committee would discuss administrative policy and subsequently ask the minister questions. If we in this house can retain the right and opportunity to criticize the minister's administration and the policy of the government, then that is a real safeguard, and under such circumstances I might be inclined to support this proposed experiment.

But we want to be fairly certain that this is going to be the case because, as others have already pointed out, it is here in this House of Commons that the effective work of parliament is done. There is a great deal of work done in committee, but committees do not have public opinion focused upon them as is the case in the house; and I for one would not be in favour of a great deal of the work of the house being done in committee. I know there are opportunities in some committees to make a more detailed analysis of various matters that come within the scope of investigation, and that officials and other people may come before such committees and give evidence. Nevertheless, the work of committees does not receive the same attention by the press or the public as the

work that is done here in the house, and I would not care to release any minister from his duty to rise in the house in the glare of public opinion and state his case with regard to his department.

I shall conclude with this observation. I believe it would be a mistake—and again the minister may correct me if I misunderstood him—to have a committee of supply examining departmental estimates in this chamber and at the same time a committee on estimates examining some other department in some other part of this building. We would have the main House of Commons and a minor house of commons operating at one and the same time. It seems to me that would detract from one or the other and my preference is to retain the discussion here in the House of Commons.

If the minister is prepared to modify his proposal, outline the safeguards and make certain we have every opportunity of interrogating ministers on administrative policy, I would say he might go ahead with this experiment. But I hope no one is going to be carried away by the expectation that large economies will be effected or that the house is going to gain greater control over the expenditure of money by parliament. It must be emphasized that these are government measures under government control. That, Mr. Speaker, concludes my observations with regard to this particular matter.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I hope the minister and the house are not feeling too impatient at this moment, because the minister himself referred to the fact that a motion was made in 1921 for the setting up of a committee on estimates. I have read the debates of that day and the marginal notations as to the time the debate occupied, and I would point out that the debate occupied two hours and 40 minutes, at the end of which the motion was withdrawn.

Mr. Knowles: The same thing might happen today.

Mr. Fulton: Therefore in 1921 they were discussing an entirely academic question. I might point out in addition that the time was mainly occupied by speakers sitting in opposition to the government. Tonight, however, we are discussing a proposal which is far from academic and which, if adopted, will become the pattern for the conduct of the discussion of this house for a good many years to come. I say this is far more than an academic discussion because the motion was spoken to by the Minister of Finance on behalf of the Prime Minister (Mr. St. Laurent), and it obviously carries all the considered opinion and weight of the government majority behind it.

[Mr. Churchill.]

It is perhaps odd to note that the time taken on this debate up to this moment is exactly two hours and 40 minutes, and I hope the minister will not become impatient if we wish to express our views on the proposal now before us. I feel that a proposal for an experiment such as this is one which we as interested commoners should be ready to support. I have been a member of the committee which with Your Honour has been considering possible revision of the rules of the house, and I have in a general way expressed support for a proposal of this sort in that committee.

I am not going to back away from that position, though I confess I was disturbed by the minister's approach to this problem of setting up this committee when he spoke this afternoon, because I do feel if I understood him correctly that his proposal falls considerably short of the sort of committee we had under consideration, and which we had considered adopting as an experiment.

In my approach to this whole problem I want to say at the outset—and I know I share the views of all other hon. members here—that I get a little bit tired sometimes when I hear people criticize members for taking time in parliament. Parliament is the place where we are supposed to talk about the affairs of the nation, and particularly it is the place where we are supposed to discuss the spending of the money of the people who make up this nation.

I believe in parliament as an institution where we should discuss intelligently the affairs of the nation but where, it is quite true, we should not waste our time or the time of others by discussing them unintelligently, that we should not use our time inefficiently. I agree with the other opinion that has been expressed—I think the hon. member for Vancouver-Kingsway (Mr. MacInnis) and others in my own party expressed it, and also the hon. member for Quebec South (Mr. Power)—that the mere desire to cut down the time expended is not necessarily conducive to the more efficient conduct of the business of parliament.

I believe in parliament as an institution. I believe that parliament will work only as well as its members make it work. This proposed committee will therefore work only if its members—and they will be the same people who are members of the House of Commons—will make that committee work. They can make it work, in my submission, only if they approach their task in an attitude of mind in which they recognize that they are members of the House of Commons, and that their job is not to expedite the passing

of estimates but rather to examine closely whether or not the estimates are justified. If that committee approaches its work in the sense that it is a committee to get the estimates through more quickly I venture to suggest, Mr. Speaker, that it will not be doing the work of the House of Commons, and that it will not be really in a true sense expediting the work of the House of Commons.

I am not an expert in this field. I have not been here very long. However, I have tried to do some reading and to absorb some feeling of what it is to be a member of the House of Commons and of what the House of Commons means. All my reading has convinced me that a member will not really advance the affairs of the nation as a member of parliament unless he as an individual is convinced of the importance of being a member of parliament; and being a member of parliament should mean the same on both sides of the house. If you go back to the old days in history you will find that the ordinary commoner, the member of parliament, was a person whose will and wishes were opposed to the will of the executive; and his job as a commoner was to seek to make certain that the will of the executive was not imposed upon the people contrary to the wishes of the people. It is in that sense that I feel we fall down in our approach to the task of being members of the House of Commons today.

I am not going into a lengthy criticism of the party system, but I am going to say this. I think that to too great an extent we are divided into members who support the government whether the government is right or not, and members who criticize the government whether the government is right or not. I believe what we should try to do is instil into members of this house a sense of being commoners, representatives of the people as opposed to the executive who are seeking—for motives of convenience, ease and expediency —to circumvent, if you like, the House of Commons.

It therefore seems to me that the job of the committee on estimates, whether it be the committee of the whole house, the committee of supply or the special committee now contemplated, should be to examine the estimates in a common spirit, not as members of the government trying to get them through more quickly or as members of the opposition trying to stop them from going through. It seems to me that we should examine the estimates as members of the House of Commons trying to see collectively whether the expenditures proposed by the government are justified and are in the best interests of the people.

Unless this committee when constituted approaches its work in that spirit I believe it will not in fact expedite the work of the house or increase the prestige of the house, but rather will in fact make it more convenient for the government to get its estimates through with rather less trouble even than it had before.

I looked with some interest at the debate referred to by the minister in introducing this motion. There are some extremely interesting quotations in that debate. I start with the quotation by the hon. member who introduced the motion, namely Hon. Rodolphe Lemieux who read—and this I want to lay before the house for its consideration in setting up this committee—a passage from Bagehot on the English constitution, as follows. I am reading now from page 2193 of *Hansard* of 1921. He said this:

> The House of Commons—now that it is the true sovereign and appoints the real executive—has long since ceased to be the checking, sparing, economical body it once was. It now is more apt to spend money than the minister of the day. I have heard a very experienced financier say: "If you want to raise a certain cheer in the House of Commons, make a general panegyric on economy; if you want to invite a sure defeat, propose a particular saving."

That, of course, is the task which confronts all of us. It is the task with which we are all faced as members of the House of Commons. No one knows it better than the Minister of Finance, and there is no one who, when he stops to consider it, knows it better than the private member on the government side. As I see it, this is a collective task we have to do in setting up a committee that will approach its work in a spirit in which—perhaps because it operates with a little less publicity than does the committee of the whole house—they will say to themselves not "How will this look in my own riding?" or "How will this look in my own province?" but rather "We in the committee are all members of the House of Commons; we are all commoners, and here we have presented to us the proposals of the executive to spend the money of our people, the common people, the people we represent. Let us all go to work on them".

If we approach the matter with that attitude, remembering that even in the House of Commons it is perhaps more apt to invite defeat than to invite success to suggest a saving, because of the party lines that are drawn here, then perhaps in the committee that is to be set up we may be able to circumvent that tendency which I have outlined.

No House of Commons in the committee of the whole, or no special committee of the house, will work unless we have a sense of

our position as members of the house and a sense of our responsibilities as commoners in relation to the proposals placed before us by the executive. I think it is interesting that this proposal comes before us at this time, spoken to by the new Minister of Finance who has just recently taken over his portfolio. When I learned of his new appointment, Mr. Speaker, I wrote him a personal letter of congratulation and good wishes for success in his task. Therefore I can say what I have to say by way of public criticism in the knowledge that he has my good will as a fellow member of the house, and one who is entrusted with a very important portfolio of government in this country.

But I might then perhaps be permitted to express the hope that in introducing this motion to set up a committee he is not just looking for a whitewash, just seeking to constitute a body which will make it easier for him to get his estimates through, a body to which he can point and say, "Well, look; the estimates committee approved these things. What are you people doing criticizing them out on the platform?" I hope he is not trying to constitute a body which will be dominated by the government majority but that it will be, as I say, a body which will approach its task in the spirit I have tried, in a very imperfect way, to indicate I think it should be approached, namely in the spirit of commoners, of members of the House of Commons together.

Incidentally, I hope too that if the experiment should fall short of the hopes which we in the opposition, and I am sure members on the government side, have for it and, therefore, we are compelled on some later occasion to say that we do not like your estimates committee any more, the minister will not say, "But you approved the motion unanimously in the house." I admit, even while sounding these words of caution, that I am prepared to support the motion because I hope the experiment will work, but I am going to do as other members have done and suggest some positive changes in the approach to the committee differing from those which were suggested by the minister. Therefore I say again that I hope the minister is not just looking for ways, as it were, of making his extractions more painless. I hope the minister has not taken a course in painless dentistry.

I want to refer the minister to some other words uttered in the course of the debate to which he himself referred, as found at page 2201 of *Hansard* of April 18, 1921. It is true that the hon. gentleman, Mr. Michael Clark, then member for Red Deer, covered quite a wide field and discussed various types of taxation which I know will be of interest to the Minister of Finance, but I think what he had to say is perhaps applicable tonight in the circumstances in which we find ourselves. He was discussing a motion to set up a committee on estimates, and said:

> I venture to think that well as my hon. friend the minister of finance is shaping in his new office, at the present time he is looking anxiously for some method by which he may pluck the goose without making her squawk. Well, I trust he will not be too successful in his researches in that direction but will assume an attitude of stern public morality and seek out methods of taxation which will be righteous and just methods, and that he will not care whether the application of them is accompanied by considerable squawking on the part of the goose. As a matter of fact, it is only when you make the electors complain that you make them understand what your policy has cost them, in whatsoever line that policy may show its activities.

So I hope the minister, in introducing the motion to set up a committee, is not just seeking a more painless method of dealing with the estimates. I think the estimates should be a very painful subject of consideration in the House of Commons. I think we should make them a painful subject for the ministers who bring their estimates before us, because I think only in that way will we in fact be doing our collective duty as members of the House of Commons.

I should like to echo the words of the hon. member for Quebec South (Mr. Power), trying not to adopt a tone of lecturing or moral rectitude, and suggest in all sincerity and in a spirit of comradeship to members on the opposite side that if they will join us in examining and cross-examining the government in the house and in the estimates committee not only will we welcome their help but they will find it a rewarding and, indeed, a rather enjoyable task. I hope they will approach the proposed committee on estimates in that spirit, and not try to make it easier for the ministers and the departmental experts who appear before the committee to get away with their proposals for expenditure.

I shall conclude in a few words by suggesting a different approach to the committee from that which I understood to be outlined by the Minister of Finance today. I do not consider that the committee on estimates should be modelled on the committee of supply. I think rather that the committee should concern itself with dollars and cents exclusively. I think the committee should have before it all the departmental officials who are responsible for the expenditure and administration of the items of the departments which come under the scrutiny of that committee. I think these experts should answer directly to the committee.

I believe it would be a great mistake to repeat in the committee on estimates the process we see here in the house where a member asks a question of the minister, the minister leans over the desk and listens to the departmental experts, quite often misunderstands them or fails to hear them because there is a buzz of conversation behind him or on this side, and then gives an answer. Then you see the deputy tugging the minister's sleeve, the minister leaning over again and then saying, "I am sorry, I misunderstood my hon. friend's question", when in fact he has misunderstood his deputy's answer, and corrects himself in what he has just said.

I quite agree that on the floor of the house—it can only happen when we are in committee—the minister must answer. Civil servants cannot speak here, and that procedure is proper even though cumbersome. But if we are going to set up a committee on estimates it will negate the whole purpose of the committee if we have to go through that procedure. I think the committee must have the right to question departmental officials directly, because they are the ones who are going to spend the money.

Also, approaching it in the spirit that the committee will work within the confines of government policy, I think we should be entitled to say to the deputy minister or associate deputy or head of a branch: This government policy says you shall have so many offices, let us say, where immigrants will be admitted, and you are admitting so many immigrants a year. Why do you need X thousand dollars to do it? How do you propose to spend those thousands or hundreds of thousands of dollars?

That is the sort of work with which the committee should be concerned, and it is the sort of questioning which I do not think should be conducted through the indirect channel of a question to the minister, back to the deputy, back to the minister and then back to the member asking the question. It would take too much time in the first place, and I do not think you get sufficiently direct answers or a sufficiently complete process of examination and cross-examination.

That being the approach I should like to see followed, without laying down a blueprint I think a measure of consultation with the opposition should be recognized as to which departments should be referred to the committee. I know the government has to exercise responsibility and I am not seeking to deprive it of that responsibility because I expect, hope and intend to hold it responsible for all its acts; but when it comes to this business of the House of Commons examining the activities of the government I think there should be a measure of consultation between the government and the opposition as to which departments it will be most appropriate in the public interest to place before the estimates committee. The government of course, I admit, would have to reserve, as it always must do, its right of final decision, if you like. I am only asking for a pattern to be established, that we should not be confronted at the outset with a decision that these are the departments that are going to go before the committee. Let us have at least a measure of consultation before that decision is made.

In that light I make this suggestion. The one department which this year should not go to the committee on estimates is the Department of Citizenship and Immigration. There are several departments, I feel, on which a discussion of policy is required. I see the minister smiling. I am not going to read anything into his smile. I was going to say this even before he smiled. I believe he will agree with me that it has been several years since we have had a real opportunity to discuss the policy of the Department of Citizenship and Immigration in committee of supply.

Taking the approach I do that a committee on estimates should be a committee on dollars and cents and not on policy, I feel that one of the departments which should not at this time be referred to the committee on estimates is the Department of Citizenship and Immigration. I would hate to see an attempt made to discuss policy in the house here and have the government say we should not discuss policy on the motion to refer the estimates, we should wait until the estimates come back from the committee on estimates. Then in the committee on estimates they would say, "This is not a suitable place for a discussion of policy; wait until this committee reports to the committee of supply." The report of the committee of supply is made on the last day of the session, and we would be placed in the same situation in which we were placed by the minister last year, when we had about seven and one-half hours on the last day of the session to discuss the policy of the Department of Citizenship and Immigration.

These are the main suggestions I have to make with regard to this committee. Before the government lays before us a final decision as to how this committee should operate I believe there must be a good deal more discussion in the committee on rules, which is now meeting with Your Honour, as to the pattern which should be followed; as to whether that committee should be a dollars and cents committee, a mixed dollars and cents and policy committee or a policy committee; whether we should have a discussion

on policy when the motion is made to refer the estimates of the department, or whether that discussion should take place when the estimates committee reports back to the house. The last thing I want to see is a discussion of policy thwarted because the estimates of the department are being referred to the committee, then have the estimates committee report back to the house on the last day of the session and have us find we are deprived of the right to discuss policy.

These are the dangers. I admit I am drawing attention to the dangers. I am doing so because I approach this subject in the spirit that the government has asked us to embark on an experiment. I am prepared to embark on the experiment, but I am not prepared to support that experiment for one day longer if I become convinced this is becoming, intentionally or otherwise, one more tactic for making it easier for the government to impose its will on the house.

Mr. Harris: Mr. Speaker—

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

Hon. W. E. Harris (Minister of Finance): When I was considerably younger than I am now, Mr. Speaker, I heard Admiral Beatty refer to the agreement between the United Kingdom and the United States to settle the war debt, and his remark was that if it cost so much to win a war, what would it cost to lose one? I have been reminded of that today because I thought I was introducing a motion which had been requested on innumerable occasions in this house by the opposition. I wondered, in fact, if my senses had left me, and if I had not heard the Leader of the Opposition (Mr. Drew) and the hon. member for Eglinton (Mr. Fleming) on many occasions in the past six or seven years say that if only we had an estimates committee we would save a lot of time in this house; we would have a better discussion, and the constitution would be saved rather than ruined as some hon. members across the way would indicate now.

Mr. Fulton: You made it too conditional.

Mr. Harris: Yes, I suppose we have to have conditions in the House of Commons; we have to lay down rules to carry out the business of the house. I am particularly glad that I did lay down some rules with respect to this committee in my opening remarks, because it is quite evident that if I had not the opposition would not be able to agree on a single thing the committee ought to do when it meets.

Just to be very brief about it, the hon. member for Acadia (Mr. Quelch) indicated that his group would support this measure and asked one specific question which I should answer. He requested that there might be a change in the personnel of the committee from time to time because the opposition, and presumably the government side, would be desirous of taking care of those who had an interest in one department and not in another. I do not believe the government has ever refused to change the name of anyone on a committee if a party desired to have a change made, and that will continue to be the case. I would hope that in this way we would have the best possible experience brought to bear on the estimates from time to time in the estimates committee.

The hon. member for Quebec South (Mr. Power) said he approved of the proposal, and wanted it made clear that there would be an opportunity in the committee to hear from officials of the departments for the purpose of eliciting information. He rather indicated that he thought the only way to do that would be to have the officials there, and not have an examination of the minister intervening. Now, I have not the blue sheets of what I said, but at that point I read very carefully the notes I have in front of me and I am going to reread the point I made, and which he must have overlooked in his remarks. I said this:

> Each minister would be responsible for the conduct of the affairs of his department before the committee, and if he chooses to make all the answers himself, that would be consistent in our view with the purposes of the committee. If, on the other hand, he thinks it desirable to leave the explanation of the details of administration to others, that will also be his responsibility, but if this course is followed it will not be possible for an official or other person to be questioned as to the policy of the government. This must be the responsibility of the government and the minister concerned, and he cannot devolve that responsibility upon an official.

I take that to mean, Mr. Speaker, that in all probability ministers will prefer to have officials, from time to time, speak directly to the committee. But I repeat that is a matter of choice for the minister as to how he conducts his affairs before that committee. I cannot conceive of that committee having any greater authority than the committee of supply. I tried to make that point throughout everything I said.

The hon. member for Eglinton raised a number of questions, and in particular he seems to have taken objection to the thought that there would not be a debate on policy on the motion to send these estimates to the estimates committee. He pointed out that there had been debates on policy with respect to external affairs when we sent the estimates of that department to the standing committee on external affairs. It is quite true that in recent years we have followed

that course, particularly because there has been some anxiety in the house about external affairs matters during the last four or five years.

I should like to point out that it is only a practice which has grown up. We did not always follow it. In the first three years, 1946, 1947 and 1948, there was no debate on the motion to refer the estimates to the standing committee, and in 1952 there was no debate. Of the six or seven times we have followed this practice, there has been just about an even division as between debate or no debate.

The government has always acceded to the request of the opposition for a debate on external affairs. On occasion we have resorted to the device of moving the adjournment of the house to permit that debate. In my view that system, that practice, can be followed on any future occasion when there is an obvious need for debate on external affairs. But the point I wished to make—and I am sure the point was made clearly, though I understand I did not make myself clear to the hon. member for Winnipeg South Centre (Mr. Churchill)—was this, that if there is any advantage whatever in a discussion of these estimates in a room other than this one, surely the opposition would not expect the government to follow their wishes in that respect and, in so doing, take more time in this room in a debate on policy.

Now, I said that a motion to refer these estimates to the estimates committee should not be debatable. That was all I said. I did not say—and I am sure no one else understood me to say—that that would preclude debate in the committee of supply itself. I think it is perfectly obvious from the remarks of the hon. member for Kamloops (Mr. Fulton) why I went no further than that.

There has been a great deal of discussion as to when you can have a policy debate to the best advantage. One argument which has been advanced on innumerable occasions by the Leader of the Opposition was that if we only had an intimate, detailed discussion of the estimates first, we could have a better debate on policy afterward. So, as I conceive the practice here, we intend to send these estimates to the estimates committee. Hon. members will there be able to ask all the questions which they say they have not a chance to ask in committee of supply, or that they do not feel like asking because they appear to be trivial and they do not want to hold up the house. They can ask all these questions and get the information they want, then when the item comes back to committee of supply we will have, as we always intended to have, a debate on item 1, such as we have always had; and that debate may very well be longer and more specific and better informed because of the preliminary discussions in the estimates committee.

That I thought was one of the most telling arguments in favour of this practice. Now we find that the opposition is hopelessly divided as to whether that ought to be done. The hon. member for Prince Albert for example wants to have the policy debate before these items go to the estimates committee. Well, if he has the debate before, I am sure he need not have one after. At any rate it is not the intention of the government to extend the time for consideration of the estimates.

The hon. member for Greenwood was less than enthusiastic about what we were proposing to do, as I understand him. In fact, if I were to judge his position—

Mr. Macdonnell: Hopeful.

Mr. Harris: —it would be that he had some genuine doubts as to the usefulness of the estimates committee or, alternatively, that he was afraid that ultimately this would lead to a diminution of the responsibilities of the committee of supply. If he did not think those things, there was no point in quoting Walter Elliot, who expressed great concern about the difference in the consideration of the estimates in the House of Commons at Westminster at the time he was speaking, and what it had been on former occasions. I would suppose that the hon. member for Greenwood does not share the view that this committee can add very much to the usefulness of the committee of supply. We all hope it will; we think it will. But I want to assure him, and I want to assure all hon. members—because I was surprised by the suspicions which appeared to be in their minds about our motives—that this motion is as a direct consequence of our repeated discussions on this subject of aiding in the consideration of the estimates, and in the work of the committee of supply.

Mr. Macdonnell: Would the minister permit a question? Does he think it unnatural and unreasonable that on this side we should have thought, as I did, that the general pattern would be that which was followed with regard to external affairs? That was what I understood, and I would like to ask the minister if he thinks that was an unnatural and unreasonable understanding.

Mr. Harris: The estimates of the Department of External Affairs have been referred to the standing committee since the immediate post-war years. At that time it was the intention and the hope—and I think in the

main the hope has been realized—that external affairs would remain an all-party consideration. That was the reason in the first instance it was possible to adopt the practice of sending those items on external affairs to the standing committee for further consideration. It was felt that external affairs, as a policy, was something that all parties ought to be involved in to the greatest possible extent, and that that in itself would lead to the committee extending its influence over matters of external affairs. But it was not considered at that time that a reference of the items to the standing committee would have any particular influence over the actions of the committee of supply. It was not requested that we should do what has been done for the purpose of simplifying debate in the House of Commons, in committee of supply, on external affairs estimates. It was for the purpose of a more general understanding of the policies of external affairs.

Now, over the course of two or three sessions, or perhaps three or four, one would suppose that he would get around to all the departments in the estimates committee. That is the intention, and I agree that hon. members opposite might find it convenient to consider a particular department next year or the year after which they would not want to have this year. I have no reason to suppose we shall not consult them about their convenience in this as we have in other matters.

However, as the hon. member for Kamloops indicated, we felt we were under an obligation to lay down a practice for this year by selecting the particular departments that have been mentioned. And just one word about that. We find the extraordinary situation of the hon. member for Prince Albert wanting to discuss the Department of Citizenship and Immigration, and wanting to discuss it before it goes to the estimates committee and when it comes back, and the hon. member for Kamloops saying that is the one department that should not go to that committee.

It would not be confessing anything that is not known to the house if I pointed out that I was responsible for the policy of the Department of Citizenship and Immigration until recently. I am not unaware of the fact that the opposition, through the leader of that party, has demanded a royal commission with respect to immigration. And this government has no intention of granting that request. On the other hand it did seem to us that by offering this department to the estimates committee for the kind of consideration they say they have not been able to give it in committee of supply, we were doing everything short of that in accommodating them.

Mr. Churchill: It was just because of the lack of time in committee of supply. It was brought up on the last day.

Mr. Harris: I am prepared to speak about that, too, if my hon. friend wishes. It was not the last day; it was the last two days my hon. friends debated citizenship and immigration last summer.

Mr. Fulton: No, no.

Mr. Harris: Yes, yes.

Mr. Fulton: The Governor General's car was practically outside the door when you brought on your estimates.

Mr. Harris: We began our estimates Friday afternoon and completed them Saturday night, or perhaps it was Thursday afternoon and Friday night; I have forgotten which. And, Mr. Speaker, while I do not mean to go far afield in the matter of citizenship and immigration, I should point out that we have just gone through a long debate on the address, and I do not think there has been any reference of any significance to that department in any of the speeches made by my hon. friends opposite. However, it is the desire—it is my desire, and one can understand why it should be—that that department should go before the estimates committee for consideration, so we shall not have any further reference to my having left that department to the last two days of the last session for consideration.

I always like to listen to the hon. member for Prince Albert, and long ago I made up my mind I would not intervene when he was out of order because eventually he does come back to the point. He did speak at some length about the Auditor General and his comments in the public accounts report about some of our past activities. He made a great point of the fact that the C.B.C. had, as he said, defied the Auditor General in connection with a certain bookkeeping method. Well, Mr. Speaker, I do not know what defiance is in his parlance, but the fact of the matter is that the Auditor General did make comments. It is true that those comments were not acted upon immediately, but I for one would expect that I should have time to consider a report of the Auditor General and devise something within the complaint he makes and within the administrative problems that I have to face. As the hon. member finally admitted, the wrong that he claims was done has now been rectified, and we need not be concerned about that in the future.

He also pointed out, and I think in a manner that would leave the impression that something wrong was being done, that the

Auditor General had made certain other observations about practices in the C.B.C. and other crown companies. The very recitation of those things is an indication that no information has been withheld from the opposition. I have been astonished to find almost every speaker in the opposition suggesting that the purpose of the estimates committee which we are recommending to the house is a somewhat devious one on my part to bring about an easier passing of the estimates for which I am responsible.

I cannot imagine any sensible person believing them when they say that. I should have thought that if they complained that the present practice has worked to their disadvantage, the government, if it wanted it that way, would continue the present practice. On the other hand, as I said in my opening statement no government should ask parliament to pass almost $5 billion without the most careful scrutiny, consideration and intelligent criticism which can be given to it. In my capacity as Minister of Finance I think everyone will appreciate that if they could find a way of reducing the estimates, I would be particularly happy.

On that point, I notice the hon. member for Quebec South is not with us at the moment.

Some hon. Members: Yes, he is.

Mr. Harris: I beg your pardon. He was modest enough not to make any reference to his past, and of course I should not either; but I would like to point out that hon. members have not followed his practice very much in recent years, perhaps for reasons of their own. Some years ago the hon. member for Quebec South had occasion to move in the house that an item of the estimates be reduced. My recollection is that he carried that against the government of the day. That was the kind of activity which he considered at that time a private member ought to undertake in order to save the minister of finance something for his next budget.

Mr. Fulton: Will the minister permit a question? Does the minister recall an occasion some five years ago when I did the same thing in connection with an item in the estimates of the Minister of Transport, and the Minister of Transport said it was a vote of non-confidence in the government? The whip was cracked and all hon. members opposite came in and voted down the reduction.

Mr. Harris: The house knows perfectly well my views about party activity in this house. It is the duty of the government to carry on the business of the country. It is the duty of the opposition to do their best to indicate the weaknesses in the policies being followed by the government; and if in accordance with that duty they can make motions in this house which would topple the government, then I think it is their duty to take that step.

On the other hand, my hon. friend asked me whether I am aware of what he tried to do. I confess I am. I recall the occasion, and certainly I would not suggest that he should not follow that course. If he tries to do it on my own estimates I shall try to defeat him, but I would be the first to admit his right to take the action he has indicated.

Mr. Fulton: Would the government regard it as a vote of non-confidence? There is not much chance of saving money if the government takes that attitude.

Mr. Harris: I think I have answered all the direct questions. However, I should comment on what has been said by the hon. member for Kamloops. It will be noted that his opinion about the nature of this committee differs radically from that of others in his own party. He thinks in terms of a committee—and I understand the hon. member for Greenwood shares this view—economy-minded in the sense of trying to cut down the estimates by showing that all the money is not needed. On the other hand, I take it that other members of his party think not so much in terms of an economy measure as of an exploratory measure which would arm them with better information to debate policy. I am not going to say which of the two will result, because I am quite sure the committee will find by experience what is the best course to follow.

The point I am making is this. I am glad we circumscribed the activities of the committee in the first instance, so that it would know what to do. If hon. members choose to work in the committee, as I think they will, with the objectives in view that have been discussed today, they will find, after some time, what are the limits and what are the advantages of the committee, and they will be able to report to the house on details of the estimates in such a manner that the two main results I have mentioned will probably occur.

I would point out that at no time did I place the saving of time first. I said that the committee would give members, both on the committee and off the committee, more information so there would be more intelligent discussion in the committee of supply. When the estimates come back from the estimates committee it may well be that we shall not have the detailed cross-examination about a particular item, but that we shall have a longer policy debate than has been the case up to the present time. Most members of

the opposition have expressed the desire that that should be so; that we should not waste the time of the committee of the whole on details.

I leave it to the committee, Mr. Speaker, to work it out. I think we should give them all the encouragement we can, and I hope that after not necessarily one year, but perhaps two or three years, we shall find that this committee is in fact functioning to the advantage of the taxpayers of Canada, both with respect to economy and greater criticism of policy which will be possible in the committee of supply.

Mr. Knowles: Will the minister permit one question?

Mr. Fleming: May I ask the minister a question? The present resolution makes no reference, as do most similar resolutions and as the one above it on the order paper does, to further powers of the committee; for instance, that the committee shall have power to send for persons, papers and records, and to print from day to day its minutes of proceedings and evidence. Is it the thought of the minister that the committee shall or shall not have either or both of those powers?

Mr. Knowles: I was going to ask the same question.

Mr. Harris: I am glad to see there is some unanimity in the opposition. It is not the intention at this stage to give the committee power to send for persons and papers.

Mr. Knowles: Why?

Mr. Harris: I have indicated the limits which I think ought to be observed for the time being as an experiment. With respect to the printing of the proceedings, of course if the committee recommends that to the house I am sure the house should carry it.

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

Mr. Fulton: With reservations.

Motion agreed to.

TRANS-CANADA AIR LINES

REFERENCE TO REPORT OF NEAR ACCIDENT AT MOOSE JAW

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): I should like to direct a question to the Minister of Transport. In view of the report of yet another incident near the Moose Jaw area on Friday last involving an R.C.A.F. Harvard and a late-flying Trans-Canada Air Lines plane, what steps, if any, has the department taken to try to avoid similar incidents in the future?

[Mr. Harris.]

Hon. George C. Marler (Minister of Transport): Mr. Speaker, a report has been received by my department concerning an incident over the Moose Jaw area on Friday last, and it has been turned over to the R.C.A.F. which I understand has investigated the matter. I should like to add that I am hoping in the very near future to make a complete statement on the subject of safety in the air and the measures which my department has taken in this connection.

FLOODS

HUMBER VALLEY AUTHORITY—REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. John B. Hamilton (York West): I should like to address a question to the Minister of Northern Affairs and National Resources. Has the minister had an opportunity to study the urgent brief presented to him on January 31 by the Humber valley conservation authority arising chiefly as a result of "Hurricane Hazel", and could he inform the house approximately when the government might be in a position to indicate whether it is willing to participate in the plan proposed by the authority, and to what extent?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, on January 31 I received a delegation from the Humber valley authority, from the Upper Thames authority, and from the Moira river authority. It was a joint delegation. They were accompanied by the chief engineer of the department of development of the government of Ontario. The three delegations made representations requesting federal government assistance under the Canada Water Conservation Assistance Act. In the course of the discussion I asked for further data from the three delegations, which I have not yet received.

AIR TRANSPORT

REPORTED SALE OF QUEEN CHARLOTTE AIRLINES—RECOVERY OF SUBSIDY

On the orders of the day:

Hon. George C. Marler (Minister of Transport): Mr. Speaker, yesterday the hon. member for York West (Mr. Hamilton) asked this question:

> Is the minister aware that Queen Charlotte Airlines of Vancouver has received an offer or offers of purchase substantially in excess of the asset value of the company, and is it the government's intention to attempt to recover part or all of the quarter of a million dollar subsidy paid to the said company in the last two years if the sale transaction is consummated?

I am informed that only after the interests concerned have reached agreement are

arrangements for sale or purchase of airline companies submitted to the air transport board for approval. In the case of Queen Charlotte Airlines, no such agreement has been submitted and therefore I am not able to comment on the matter.

As far as the second part of the hon. member's question is concerned, the financial assistance granted to Queen Charlotte Airlines earlier was a subsidy and not a loan.

INQUIRY AS TO FLIGHTS FROM WINNIPEG TO COPENHAGEN

On the orders of the day:

Mr. O. C. Trainor (Winnipeg South): Mr. Speaker, I should like to direct a question to the Minister of Transport. In answer to a recent question of mine the minister indicated that the reason passengers for Copenhagen are not allowed to embark at Winnipeg via Scandinavian Airlines is because there are no reciprocal arrangements with Scandinavian Airlines. Can the minister now say why such reciprocal arrangements cannot be negotiated when the convenience and financial interest of Canadians resident in the mid-west might be advanced thereby?

Some hon. Members: Order paper.

Hon. George C. Marler (Minister of Transport): I suggest the hon. member might put his question on the order paper.

Mr. Speaker: I understand it is the wish that this question be put on the order paper.

Some hon. Members: Agreed.

INTERNATIONAL RIVERS

PROVISION REQUIRING LICENCE FROM GOVERNMENT OF CANADA TO CONSTRUCT, OPERATE AND MAINTAIN ANY IMPROVEMENT

The house resumed, from Friday, February 4, consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 3, respecting the construction, operation and maintenance of international river improvements.

Mr. G. W. McLeod (Okanagan-Revelstoke): Mr. Speaker, in continuing this debate I wish to refer for a moment to a speech made in this house by the hon. member for Kootenay West (Mr. Herridge) and some of the statements contained therein. I have since had an opportunity to read this speech, and I have found in his remarks things I did not expect to find from a speaker from the socialist ranks. However, in a report of a meeting which he attended in the city of Revelstoke on the night of January 5 I found a very good indication of what might be the socialist stand, and I would like to quote from the report of that speech:

> The Kaiser dam would yield the B.C. government a million dollars a year for 50 years, plus some percentage of power developed. The C.C.F. party objected to the Kaiser company having this right, because it was a private company.

That is the kind of statement I expect to hear from a socialist, and I respect any socialist who stands up for his convictions and expresses what he actually believes. But I was certainly disappointed when the hon. member made no reference whatsoever in this house to this attitude and, in fact, I have come to the conclusion that he made a statement here that might well have come from the other side of the house. However, there is one statement he made in Revelstoke with which I am in full agreement. The report reads as follows:

> "What is needed," Mr. Herridge said, "is a meeting of minds of the federal and provincial governments on this matter."

I agree with that 100 per cent, Mr. Speaker.

I now turn to the main features of this bill and some of the political aspects attributed to it in the press throughout the country. I have here a clipping from the Vancouver *Province* carrying the headline "Ottawa Will Stop It". Then follows the subheading "B.C.'s Kaiser Dam Project 'Cock-Eyed', says Howe". The report goes on to say:

> Trade minister C. D. Howe described the agreement between the B.C. government and the Kaiser interests in the United States for a storage dam without on-site power on the Arrow lakes as "a cock-eyed and improvement deal."

I do not like that word "improvement", and I believe possibly they mean "improvident"; but I am not going to correct the press, though it does not sound right. Nevertheless I cannot help but like that word "cockeyed". It shows that the Minister of Trade and Commerce (Mr. Howe) is quite a human fellow after all, and that off the record and possibly on the spur of the moment he made this very human statement. However, I cannot agree with the thoughts behind that statement.

A little further on, discussing development projects in Canada with a newspaper man, he made it plain that this was one project which would not be realized in its present form if the federal government had anything to do with it. He also made it plain that Ottawa had a lot to do with it, and was confident that legislation now being drafted would block the Kaiser dam plan. I submit, Mr. Speaker, that this is definite proof of the claim I made that this bill is nothing more or less than a political measure.

I am also going to put on record a couple of cases which I think are similar, and in which the action was not questioned, or disallowed. In fact there seemed to be no reason why any action should have been taken by the federal government toward the British Columbia government of that day. When the West Kootenay Power and Light Company made application for additional storage of water at Kootenay lake, a part of the Columbia river system, the international joint commission agreed that this was desirable in order to firm up power downstream. In this case "downstream", of course, is in Idaho in the United States of America. In this instance the federal government, knowing full well that the province of British Columbia would get no financial return for the extra storage, —and I would ask hon. members to remember that; no financial return—endorsed the plan.

Mr. Byrne: Would the hon. member permit a question?

Mr. Low: Let him finish.

Mr. Deputy Speaker: Order.

Mr. McLeod: The federal government endorsed the plan. With the Kaiser dam, built for the same purposes, British Columbia will be recompensed. Yet the federal government reverses its stand and says that British Columbia is "giving away her water resources".

There was yet another instance, Mr. Speaker. In the case of the Skagit river development for the benefit of the people of Seattle, also across the line, the international joint commission approved the flooding of British Columbia territory. The attitude of the international joint commission was to the effect that the Skagit project was desirable, subject to mutual agreement arranged and approved by the province of British Columbia and the city of Seattle, the only two parties at that time figuring in the transaction. According to the dominion government, as there was no objection they were the only two parties that had the right to take part in this transaction. Again it should be noted that the province of British Columbia received no material benefit from this development.

I can see no difference between the storage that will take place as a result of this Kaiser dam or Castlegar dam, call it what you will, and these two cases that I have mentioned. Therefore the only thing I can do is to ask this question: Why has this government reversed its stand on this particular occasion? Why are they objecting to a storage dam or to the raising of water for use downstream across the line in this particular instance while they have been letting it go by and taking no action whatever in past years?

Since coming into this house this session—to deal a little bit more with the political build-up—I have noticed quite a few questions on the order paper seeking information as to correspondence and so on that has passed between the British Columbia government and the federal government in this connection. The whole idea seems to be to place the provincial government in a rather poor light. They are being put on the defensive. Yet, Mr. Speaker, I maintain that had there been any legislation making it necessary for the British Columbia government to come to Ottawa for consent before taking on this project the need for this bill would not exist. I am therefore making the statement that there was no reason for the British Columbia government to ask the government of Canada if they could do this because there was no legislation to prevent it, and because they had a precedent in these two other cases I have mentioned.

There is one other point that concerns me possibly more than this one. That is the matter of interference with provincial rights. In my estimation, Mr. Speaker, this is a further step in the centralization in the government at Ottawa of power and control over the destinies of the Canadian people from one side of Canada to the other. In this case it is true that it refers to only one natural resource. Many hon. members may wonder when we speak of water as being a natural resource, but in the case of British Columbia it is certainly our greatest natural resource. If we have a federal government that can interfere with a resource of this nature, which we believe is entirely the property of the people of the province of British Columbia and therefore entirely within the jurisdiction of the government put into Victoria by the people of British Columbia, let us just stop and think what further action could be taken at any time this central government should see fit to take it.

I maintain that the people of British Columbia are well able to look after their own affairs. They have proved it in the past. Governments have been toppled and governments again may be toppled, but I am going to say this: I believe that the place to fight out the merits or demerits of the Kaiser dam is in the province of British Columbia; and I believe that the fighting should be done by the people of British Columbia, not by any citizens down here in Ottawa.

I am strongly in favour of the settlement of disputes by conference. I mentioned that fact in an earlier debate in this house, and

I can only reiterate it at this time. In order to avoid this head-on collision which I mentioned here on Friday and which was prophesied by a minister of the crown, why is it not a logical thing for the representatives of the province of British Columbia and the representatives of the Dominion of Canada to get together and discuss this matter around the conference table? What I say is this. Forget political affairs. Divorce politics entirely from the question and put it on nothing more or less than a straight business basis.

In the past there have been difficulties over this matter of federal-provincial relations. We have an outstanding dispute going on at the present time. I am not going to interfere in that dispute because, as I said on that question a year ago, I believe the dispute between the province of Quebec and the government of Canada is strictly a family affair and it is up to the rest of Canada to keep out of it. I will say the same thing with regard to this particular dispute. I say that it is between the government of the province of British Columbia, administering the affairs of that province in the interests of its people, and the government of Canada; and I say that it is up to these two disputants to get together and iron out their difficulties.

As I said on Friday night—and I repeat it—I am positive that the premier of our province and his advisers would be glad to come to Ottawa. I do not think they would ask that the Prime Minister of Canada (Mr. St. Laurent) come to a city in British Columbia. I am satisfied that they would come to Ottawa to discuss this problem in order to arrive at an amicable solution.

I think it was yesterday—I had been out of the house for a few minutes—when on coming in I found that the Minister of Justice (Mr. Garson) had the floor speaking in another debate. Honestly, Mr. Speaker, it seemed to me that he was presenting a much better argument against interference with provincial rights than I could, but I was rather surprised to find that he was not dealing with Bill No. 3 at all. However, I am going to quote a few of the remarks made in that debate by the Minister of Justice. As found at page 904 of *Hansard* of February 7 he said:

> New members have not been in this house very long before they become acquainted with the fact that the mere relationship between the central government and the provincial governments in our Canadian federal system of governments are themselves notoriously difficult.

He was referring to the problem of superimposing a bill of rights and so on; and then, in speaking of the set-up that has been inherited from the constitution of Great Britain, he said that its main feature was the sovereignty of its legislative bodies. He was referring to the provincial governments. I would respectfully request that the Minister of Justice take the rest of the cabinet ministers to one side and expound to them very thoroughly and clearly some of the statements he made in the house in favour of provincial autonomy and the sovereignty of provincial governments. Hon. members will recall that the motion then before the house was talked out, but I could not help but notice the words spoken by the hon. member for Portneuf (Mr. Gauthier) near the end of the discussion. These are the words—

Mr. Deputy Speaker: Order. Is the hon. member intending to refer to a debate which was concluded yesterday or the day before?

Mr. McLeod: I should like to quote these words—

Mr. Blackmore: It is not yet concluded.

Mr. Low: It is not concluded.

Mr. McLeod: —uttered by the Secretary of State for External Affairs (Mr. Pearson) when speaking at the United Nations. He said:

> I wish to make it clear here . . . that, in regard to any rights which are defined in this document, the federal government of Canada does not intend to invade other rights which are also important to the people of Canada. By this I mean the rights of the provinces under our federal constitution.

In a few words our Secretary of State for External Affairs put forward as plain an argument as can be put, and I refer particularly to his words:

> By this I mean the rights of the provinces under our federal constitution.

All I am asking is that the government take these words to heart and, before there is too much conflict of interest and ill will created over this flagrant invasion of provincial rights, do something to see that a serious head-on collision does not take place.

I should also like to say a word or two to every member of the house. This bill is more important than a lot of us think, and its tentacles are more far-reaching than any of us may envision. I ask every member of the house, regardless of party affiliation, to study the bill carefully, for I say it is the thin edge of a wedge that can be used in many ways to interfere in the internal economy of any province of Canada at any time the central government sees fit to do so. I would urge that that feature be given very careful consideration.

Finally I wish to refer to another statement that has been made with respect to this

legislation. The hon. member for Vancouver-Quadra (Mr. Green) referred to this proposed legislation as a club at the head of the British Columbia government. A club in the hands of an adversary, Mr. Speaker, is a fair weapon. It is a weapon you can see, a weapon you can protect yourself against, a weapon you can do something about. But what can you do when the government of this country, setting itself up as the supreme authority, takes political action and endeavours to pass legislation that will take away from a province rights which we believe we are entitled to under the British North America Act?

This is something worse than a club. It is a political weapon—and I cannot help repeating that because it is so very important—being forged by the government to thwart the British Columbia government in the administration of its affairs and embarrass it in the conduct of its business. It is a direct infringement of the rights of the sovereign legislative body of the province of British Columbia.

I am not going into the mechanics of the proposed Kaiser dam, which has been mentioned in the debate so often. I can only say, as I said before, that I am satisfied that the people of British Columbia are able to judge the merits of matters that relate to them and to them only; and I believe if any government, whether it be Social Credit, Liberal or C.C.F., at any time thwarts the will of the people of British Columbia it will receive the same treatment which the late Liberal government of that province received in 1952.

On motion of Mr. Byrne the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow of course is private members' day. On Thursday we shall continue this debate, then take Bill No. 4, and then the resolution standing in the name of the Minister of Trade and Commerce with respect to the Canada Grain Act.

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

HOUSE OF COMMONS

Wednesday, February 9, 1955

The house met at 2.30 p.m.

QUESTIONS

HEALTH GRANTS, NEW BRUNSWICK

Mr. Stuart (Charlotte):

Has any assistance been given to the province of New Brunswick under the national health grants program to provide for expanded laboratory services for the testing of public supplies of milk and water?

Mr. Robertson:

Yes. As a part of the over-all program for the support of expanded laboratory services in New Brunswick, federal assistance has been given under the national health grants program for public health laboratory services in the established laboratories of the province where the testing of public supplies of milk and water is being carried out.

The latest project approved was in January, 1955, when $4,471 was approved to assist in the further extension of laboratory services for the testing of public supplies of milk and water.

LUMBER TRANSPORT LICENCES, BANFF NATIONAL PARK

Mr. Johnston (Bow River):

1. How many licences or permits have been issued during 1954 and 1955, to (a) residents living between Donald station and Wasa station; (b) non-residents living between Donald station and Wasa station, of the Columbia river valley in British Columbia, and others, for the purpose of transporting lumber over highways in Banff national park?
2. To whom were such licences or permits issued?

Mr. Lesage:

1. (a) Approximately 225; (b) nil.

2. No record available.

Note: Under order in council P.C. 1953-1612 of October 21, 1953, authority was granted for the issuance of transient motor licences for trucks owned by residents of the Columbia river valley between Donald station and Wasa station, B.C., for the purpose of carrying lumber and other produce from the said area across the trans-Canada highway in Banff and Yoho national parks and the Banff-Windermere highway in Kootenay national park during the months of November and December 1953 and January, February and March 1954. Similar authority for November and December 1954 and January, February and March 1955 was granted by P.C. 1954-1591 of October 19, 1954.

National parks records have not separated the trucks carrying lumber from those carrying other produce and the figures for licences given in answer to question 1 (a) is therefore an estimate. Almost all of these licences covered single return trips and it is probable that not more than about 25 different persons or firms were involved. The total number of licences issued under authority of the two orders in council during January, February and March, November and December of 1954, and up to January 24, 1955 was 362 which covered both lumber and other produce. During the period in question no records were kept of the names of those persons to whom licences were issued. They were issued to drivers of trucks by park authorities on production of satisfactory evidence that the trucks were owned by residents or established firms in the area.

DEFENCE CONTRACTS BY PROVINCES

Mr. Hahn:

What were the totals of all defence contracts let in each province in Canada, during each of the years 1950, 1951, 1952, 1953 and 1954?

Mr. Dickey: Mr. Speaker, I should like to deal with this question orally, if I may. At various times in the past questions such as this have been placed on the order paper by hon. members, and the minister, the former parliamentary assistant, and I have explained to the house why it is not feasible to table an answer. The most recent statement of this position was made on January 28, 1953, and appears at page 1397 of *Hansard* when I quoted from a previous statement of the minister as follows:

> A question has been raised as to why we do not publish figures showing the value of projects placed in the various provinces. The simple answer, which I have given on several occasions, is that we see no value in giving such figures inasmuch as they in no way reflect the impact of the defence program on the various sectors of the country. They do not take into account the large proportion of subcontracting which is inherent in this type of work. They make no allowance for the source of raw materials going into the contracts, and in many cases they are misleading because contracts placed at head offices in Ottawa or Montreal are often carried out in company plants which may be located as far away as the east coast or the west coast.

This explanation applies directly to the present question. I should also point out that full information regarding the letting of unclassified contracts over $10,000 is made public by the publication every two weeks

of complete lists of contracts awarded. This information is, of course, available to all hon. members.

DEFENCE PRODUCTION—MEAT

Mr. Fulton:

1. What was the total cost of meat and meat products contracted for by the Department of Defence Production, during the fiscal years 1953-54 and 1954-55 to date?

2. What are the names of the firms to whom these contracts were let, and the total value of the purchases from each, in these years?

He said: Mr. Speaker, may I ask that this question be dropped without prejudice to the right to replace it at a later date in a somewhat different form?

Mr. Speaker: Question dropped.

FREIGHT ASSISTANCE ON FEED GRAINS

Mr. Pommer:

What were the amounts paid out by the federal treasury on freight assistance on western feed grains shipped to (a) British Columbia; (b) Ontario; (c) Quebec; (d) maritime provinces, for each of the years from October 1, 1941 to 1954 inclusive?

Mr. McCubbin:

Amounts paid out in freight assistance on western feed grains for each year from October 1941 to December 31, 1954.

Year	British Columbia	Ontario	Quebec	Maritime Provinces
1941	$ 135,096.06	$ 764,302.50	$ 720,721.68	$ 289,413.10
1942	996,218.08	3,319,231.50	3,851,573.60	1,824,159.00
1943	1,432,696.28	6,518,142.00	5,523,277.30	2,767,969.70
1944	1,722,957.08	5,862,208.50	5,926,703.44	2,667,629.80
1945	1,758,328.51	6,191,145.00	6,117,941.48	2,758,782.30
1946	2,017,065.28	6,738,853.50	7,025,075.96	3,223,229.50
1947	2,182,894.98	7,446,339.00	7,314,739.32	3,096,645.30
1948	1,806,918.91	6,445,528.15	7,055,225.10	3,019,535.90
1949	1,503,139.89	5,419,655.16	6,591,132.47	2,734,637.04
1950	1,296,189.28	4,785,376.52	6,845,156.36	2,986,867.68
1951	1,567,955.83	4,374,333.27	7,191,326.67	3,107,528.25
1952	1,724,466.33	5,151,750.93	8,407,426.77	3,570,197.11
1953	2,226,071.39	4,693,236.87	7,395,317.95	3,291,679.56
1954	2,092,941.62	4,481,621.99	7,545,080.60	3,008,815.95

CANCER RESEARCH

Mrs. Shipley:

Aside from the assistance given under the national health grants program, is the Department of National Health and Welfare engaged at the present time or is it planning to engage in any aspects of cancer research?

Mr. Robertson: Yes. Two years ago the Department of National Health and Welfare established at its laboratory of hygiene a tissue culture section, with the objective of studying the growth of normal and cancer cells outside the body. It was felt that such a program would help to fill the need, expressed by many investigators, for more specific knowledge on the growth and behaviour of body cells. Cancer is considered to be some form of abnormal cell growth and so it was felt that by undertaking these studies new facts might be discovered and thus provide new clues for other investigators in the cancer field. Since this type of research is of a long-term nature it can well be undertaken in the laboratories of the Department of National Health and Welfare in order to provide stability and continuity to the study. This program is now proceeding satisfactorily, and it is expected that it will prove to be a useful contribution on the part of the department to the conquering of this disease.

CROWN COMPANIES

Mr. Hodgson:

1. How many crown companies are operated by the government?
2. What are their names?
3. Where is each located?
4. What was the indebtedness of each on December 31, 1954?

Mr. Pinard: If I may, I should like to answer this question orally. I should like to inform the hon. gentleman that this information is contained in volume II of the Public Accounts of Canada as issued by the Department of Finance, which contains the financial statements of all the crown corporations.

Mr. Speaker: Answered.

HIGHWAY SAFETY

Mr. Fulton:

1. Does the dominion government have any information with regard to the proposal for a conference to be held in Ottawa in May, 1955, by the Canadian good roads association on the general subject of highway safety?

2. If so, has the government or any department or agency thereof been invited to attend or to send a representative to the conference, and if so, is it planned to attend accordingly?

3. Is the dominion government or any department or agency thereof actively assisting in preparations for this conference, and if so, in what way?

4. If the government is not participating in any way in the conference, what steps does it propose to take, in conjunction with the provinces and/or other interested organizations, with respect to promoting a campaign for increasing safety on Canadian highways?

Mr. Bourget:

1. Yes, there has been informal liaison between the Canadian Good Roads Association and the Minister of Public Works.

2. Yes.

3. The Canadian Good Roads Association has been informed that representatives of the Department of Public Works will participate in preparing the agenda and will attend the conference.

4. Answered by No. 3.

CIVIL SERVICE—SUGGESTION AWARD PLAN

Mr. Thatcher:

1. Since the "suggestion award plan" for the civil service was adopted November 28, 1952, how many suggestions for making savings or improving efficiency have been received?

2. What is the amount of money actually saved, so far, as a result of these proposals?

Mr. Benidickson:

1. 5,800.

2. While a number of suggestions are still under investigation, 243 suggestions have been implemented which have resulted in an estimated savings of $71,649.

HEALTH AND WELFARE—VIRUS LABORATORY

Mr. Studer:

What are the major functions of the new virus laboratory of the Department of National Health and Welfare which was recently opened in Ottawa?

Mr. Robertson:

The new virus laboratory will serve as—(a) a centre for the provincial departments of health in providing their laboratories with standardized reagents for the diagnosis of virus diseases in man; (b) a reference laboratory to the provinces, for the identification of uncommon strains of viruses, for which difficult technical procedures are required; (c) a regional centre for the world health organization and in this connection will carry out identification of virus strains from current virus epidemics, such as influenza and poliomyelitis; (d) a training centre for members of provincial laboratories who wish to specialize in virus diagnostic methods.

The virus laboratory will also provide facilities for the testing and control of materials in the virus field under the terms of the Food and Drugs Act. For example, the poliomyelitis vaccine now being produced at the Connaught medical research laboratories is being retested in the virus laboratory as a means of re-ensuring the safety of the product.

QUEBEC INCOME TAX

Mr. Argue:

1. What is the estimated revenue for 1954 resulting from the personal income tax levied by the province of Quebec?

2. What is the estimated loss of revenue represented by a 10 per cent reduction in federal income tax in (a) Quebec; (b) each of the other provinces?

Mr. Benidickson:

1. The minister of finance for the province of Quebec, in his budget speech given on February 3, 1955, estimated the personal income tax levied by the province of Quebec would yield $25 million in the fiscal year 1954-55.

2. On the basis of collections of personal income tax in 1953-54, the last year for which collection statistics are available, a 10 per cent reduction in federal income tax would result in a revenue loss as follows: (a) $28·4 million; (b) Newfoundland, $1·2 million; Prince Edward Island, $0·2 million; Nova Scotia, $2·1 million; New Brunswick, $1·9 million; Ontario, $62·3 million; Manitoba, $6·0 million; Saskatchewan, $4·7 million; Alberta, $8·1 million; British Columbia, $12·7 million.

CEREBRAL PALSY

Mr. Gauthier (Portneuf):

Is any assistance being given by the federal government towards the care of children with cerebral palsy?

Mr. Robertson:

Yes. Last year the national health grants program provided $150,000 under the crippled children's grant to assist in the provision of treatment services for children with cerebral palsy in Quebec, Ontario, Alberta and British Columbia.

An additional $110,000 was given under the same grant to assist centres in Quebec, Manitoba, Saskatchewan and British Columbia in treating children with cerebral palsy and with other crippling conditions.

QUESTIONS PASSED AS ORDERS FOR RETURNS

TRANS-CANADA AIR LINES—SAFETY MEASURES

Mr. Thatcher:

1. Do Trans-Canada Air Lines planes approaching the Moose Jaw area normally contact the Royal Canadian Air Force station control tower, in order to permit the authorities to alert military planes?

2. Do Trans-Canada Air Lines delayed flights approaching the Moose Jaw area notify the Royal Canadian Air Force station control tower?

3. If not, has such a step been considered as a safety measure to prevent future air collisions?
4. Have the responsible authorities considered requesting Trans-Canada Air Lines planes to increase their altitude from 6,000 feet to 7,000 or 8,000 feet over training areas, where Harvard or similar planes ordinarily would not be flying?
5. Have the authorities considered asking Trans-Canada Air Lines to illuminate the exterior of their planes more clearly on night flights, as a safety measure?

Mr. Pinard: Return tabled.

INCOME TAX BRANCH—CHARTERED ACCOUNTANTS

Mr. Lennard:

1. How many chartered accountants are employed by the government in the income tax department?
2. Who are they and where are they located?

STRIKES AND SICKNESS—DAYS LOST

Mr. Boisvert:

How many working days were lost in Canada in 1952, 1953 and 1954 on account of (a) strikes; (b) sickness?

REMISSION OF TAXES

Mr. Zaplitny:

1. Did any of the following firms receive remission of taxes in the fiscal year ended March 31, 1954: (a) Aluminum Company of Canada Limited; (b) Gatineau Power Company; (c) Saguenay Power Company Limited; (d) the Bell Telephone Company?
2. If so, what was the amount in each case?
3. What was the reason for the remission in each case?
4. Under what authority were these remissions made?

REMISSIONS OF CUSTOMS AND EXCISE

Mr. Zaplitny:

1. Did the following firms receive any remissions of customs and excise duties and taxes, during the fiscal year ended March 31, 1954: (a) Atlantic Sugar Refineries Limited, Montreal; (b) Caland Ore Company Limited, Steep Rock, Ontario; (c) Ford Motor Company of Canada; (d) Iron Ore Company of Canada, Montreal; (e) Trans Mountain Oil Pipe Line Company, Toronto?
2. If so, what was the amount in each case?
3. What was the reason for the remission in each case?
4. Under what authority were these remissions made?

MENTAL HEALTH GRANTS

Mr. Dinsdale:

1. What is the total amount of federal grants made available for mental health activities in Canada?
2. How is this money distributed between the various provinces?
3. What is the total cost of mental health programs in Canada?
4. What is the breakdown in the expenditure of this money as between (a) provincial hospitals; (b) psychiatric clinics (private and public); (c) rest homes; (d) preventive work?

[Mr. Thatcher.]

DIETHYLSTILBESTROL

Mr. Pearkes:

1. Is the importation into Canada of diethylstilbestrol in any form permitted?
2. If so, what quantities have been imported since January 1, 1953?
3. By whom were the imports made, and under whose authority were permits issued?

CANADIAN FARM LOAN BOARD

Mr. Pommer:

1. By years and by provinces since 1950, how many loans were made by the Canadian farm loan board?
2. In this period how many loans were paid up?
3. How many are outstanding?

Mr. Benidickson: Return tabled.

P.F.R.A.-P.F.A.A. EMPLOYEES, SASKATCHEWAN

Mr. Argue:

1. What are the names and addresses of all persons employed in Saskatchewan in 1954 under (a) the Prairie Farm Rehabilitation Act; (b) the Prairie Farm Assistance Act?
2. What sum of money was paid to each of these persons as (a) salary or wages; (b) sustenance; (c) mileage; (d) other allowances?

MOTIONS FOR PAPERS

QUEEN ELIZABETH HOTEL, MONTREAL

Mr. Knowles:

For a copy of any communications, memoranda or briefs received by the government, dated at any time since August 1, 1954, from or on behalf of any organizations, relating to the proposal to lease the new Queen Elizabeth hotel, in Montreal, to the Hilton Hotel chain of the United States.

INDIAN AFFAIRS—BUILDING SUPPLIES

Mr. Diefenbaker:

For a copy of all letters, telegrams, memos of telephone conversations, in connection with the purchase of lumber and building material and supplies required by the Indian affairs branch in the city of Prince Albert and northern Saskatchewan, in the areas comprised in the federal constituencies of The Battlefords, Meadow Lake and Humboldt-Melfort, during the year 1954, and in particular, a copy of all letters sent to lumber or supply companies, wherein an opportunity to tender was given, and a copy of all tenders or contract offers for lumber and building material and supplies that were made to the department.

Mr. Pickersgill: This motion quite obviously asks for all letters, telegrams, memos of telephone conversations and so forth which, if they existed, would in most cases be documents passing between members of the department which are always understood to be privileged documents. There could of course be no objection to going through all the files and looking for any letters from outsiders addressed to the department and no objection to producing them if the hon. member insists upon it. There would be no objection to

providing a copy of all letters sent to lumber or supply companies if the hon. gentleman insists, though it might take some considerable time to look through the various files to make sure they were all covered. Of course we would be very glad to provide a copy of all successful tenders. If, with suitable modifications such as I have suggested, I could meet the hon. member's wishes, I should be very glad to do so, but if there were any insistence upon privileged documents being produced I am afraid the motion would have to be opposed.

Mr. Speaker: The motion is carried subject to the reservation made by the minister.

CUSTOMS TARIFF

MARKING OF TOYS WITH NAME OF COUNTRY OF ORIGIN

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, on Thursday last the hon. member for Winnipeg South (Mr. Trainor) raised a question with respect to the marking of imported toys with the country of origin and asked whether I had received complaints from Canadian toy manufacturers that the marking regulations were not being observed. In reply I should like to inform the hon. member that there is at present no marking requirement with respect to imported toys.

Representations have been received periodically for the application of marking regulations to toys, but it is quite a complicated matter because of the extensive variety of toys capable of importation, at least some of which could be practically prohibited importation because of insistence upon this requirement. The department already has the matter under study and it will continue to receive most careful consideration.

CANADA ELECTIONS ACT

SUGGESTED AMENDMENT TO ENABLE ALL QUALIFIED ELECTORS TO USE FRANCHISE

On the order:

Mr. McIvor—The following proposed resolution —That, in the opinion of this house, the government should consider the advisability of amending the elections act so as to enable all qualified electors to use their franchise in federal elections.

Mr. Speaker: I see that there is a resolution on the order paper preceding a bill to be introduced by the Secretary of State having to do with what is contemplated in this motion. Therefore the motion will have to be withdrawn from the order paper.

Education

EDUCATION

EQUALIZING OF OPPORTUNITY—ASSISTANCE TO PROVINCES

Mr. R. R. Knight (Saskatoon) moved:

That, in the opinion of this house, the government should take into consideration the advisability of taking steps to relieve the financial crisis in education, without encroaching in any way on the exclusive jurisdiction of the provinces in this field, by granting financial assistance to the various provinces for the expansion and equalization of educational opportunity across Canada.

He said: Mr. Speaker, I need not attempt to impress upon the house the importance of education nor need I attempt to impress upon the house the need of having a high standard of education in Canada. Neither shall I attempt in my own words to define education, but I should like to quote the words of the essayist, Joseph Addison, who defined education in this way:

Education is a companion which no misfortune can depress, no crisis can destroy, no enemy can alienate, no despotism can enslave. At home a friend, abroad an introduction; in solitude a solace and in society an ornament. It chastens vice, it guides virtue, it gives, at once, grace and government to genius. Without it, what is man? A splendid slave, a reasoning savage.

These words were written about 1700, but I submit that they apply equally well today. This is not the first time that I have debated such a resolution as this in the house, but I intend today to use a somewhat different approach because what I have said before has been recorded many times in the records and it is there for anyone who cares to read.

Let me say at the outset that I advocate nothing here today which would in any way interfere with provincial jurisdiction over the administration or curriculum of education within the provinces. Let me say emphatically that I believe in complete control over education by the provinces, that each province shall set up within its own boundaries such a system of education as its people desire, and that it shall administer it in terms of the constitution without interference from outside. Believing this, and making a plea for federal aid, I have inserted in the body of the resolution itself the words, "without encroaching in any way on the exclusive jurisdiction of the provinces in this field." With respect to previous debates I should like to give a quotation or two.

Mr. Speaker: Order. Would the hon. member allow me to interrupt him in order to ask all hon. members to remain as silent as possible. It is very difficult for a member to speak to his resolution when there is so much noise in the house. I am sure that hon. members will want to co-operate.

Education

Mr. Knight: The first extract is one taken from a speech of the Prime Minister (Mr. St. Laurent) on October 19, 1949, as found at page 946 of *Hansard*, in which he said:

> I am sure all hon. members have welcomed this opportunity of focusing their attention upon this assertion, one which certainly appeals to each and every one of us, that there should be across Canada the greatest possible degree of equality of opportunity for the education of our young Canadians, the Canadians of the next generation.

Since I am making this plea, in the nature of things, Mr. Speaker, to a Liberal government, I should like to use as my next quotation one from a speech by a distinguished member of the Liberal party, no less a person than the premier of Manitoba, Hon. Douglas Campbell, when speaking at the federal-provincial conference in 1950. He said:

> Education is a subject which is of fundamental national concern because it far transcends the interest of any local community that the utmost use should be made of all our human resources, and that no child should be penalized as to the education which is available to him merely because he happens to live in one part of Canada rather than another. We therefore strongly advocate that the federal government should accept responsibility for a substantial part of the cost of education.

If I may, in all humility, add my own words to those of greater men, may I say that the birthright of every child is a minimum standard of education, based not upon the wealth of the parent or the local school district or even of the province but upon the wealth and resources of the whole nation. I hope, sir, and I believe that we are entering upon an era of peace. Even if we are not to be engaged in active war, even if we may be able to make some rents in the "curtains" that divide the peoples of the world and permit again free intercommunication and perhaps some trade, we shall be involved in a struggle of ideas. In that struggle the quality and universality of education in our own country may be an important factor. Given that, and given time, I think the ideas of freedom and democracy will ultimately prevail.

Perhaps we should consider education for a moment from that point of view. Such an examination will not justify any smugness upon our part. In my opinion we are falling steadily behind some of the other countries in the commonwealth of nations. Comparatively speaking, we have created no great Canadian literature, nor indeed are we a nation of great readers. Smugness might incline us to think that perhaps those with whom we differ ideologically are illiterate.

[Mr. Speaker.]

I refer you now to a startling article by Mr. Burke Stannard in the *Financial Post* of December 18 in which he says:

> In 1918 Russia had one university for every 1½ millions of its population, Canada had one for every 315,000. Today—

Not very many years afterwards.

> —Russia has one university student for every 150 population; Canada has one for every 250. We might well inquire as to just what is holding up Canadian progress.

He answers his own question by saying, and I quote in part:

> Personally, I believe the financial barrier to be the one which keeps the enrolment low.

Then he says the significant fact is that government support is not rising as rapidly as university costs. Two educators were asked to make some comment on this particular article. One was Dr. R. C. Wallace, whose recent decease has been such a loss to education and indeed to this country generally. The opening words of his comment were, and I quote:

> The situation calls for additional scholarship assistance as well as additional grants to the universities.

Dr. F. Cyril James, the principal of McGill University, while advocating the need for scholarships said it would be necessary for each scholarship to carry with it the payment to the university attended by the student of a supplementary grant. These men speak from the university viewpoint. Since in this resolution I am rather considering the quality of education for the great masses of the public, my first plea to the government would be for the provision of a more generous scale of scholarships from national funds. Personally, I would request that in the granting a greater emphasis should be laid on the humanities. I contend, with all due deference to the technical and scientific specialists, that such studies in the humanities are the basis and foundation of any liberal education.

I am going to make another suggestion in the interests of education. Perhaps it is less important and perhaps I should not spend the time on it, but it is this idea. I heard of an unfortunate case where some applicants for posts, perhaps administrative, in the civil service were turned down with a great deal of scorn by certain members of the employing agency—I do not know whether or not it was the civil service commission—and were told that was not the type of education needed for this job. I am going to suggest to the government that, in the employment of civil servants, and goodness knows there is no place in the country where we can better use well educated men, they keep a long list of young men trained in the humanities.

The names for such a list could be obtained through competitive examination or from the heads of universities. The government could enable these men to proceed further with their education through government scholarships so that they could qualify themselves for the particular jobs for which the government needed them.

From my early youth, I recall there were appointments to be made to the consular service in Britain. A competitive examination was set up open to all students within the British Empire of a certain age. The top half dozen candidates in this examination were selected for a two-year scholarship at Cambridge to continue their studies, largely in the languages but generally in the subjects which they would need. I would suggest to the government that would be a good method to adopt here and might give us some of the best brains in the country, whose training would have been in the humanities rather than in the sciences, and who might with further training fit into a niche suitable to themselves and with benefit to the country as a whole.

For a long time Britain has recognized the need of such scholarships. Mr. Kenneth Lindsay, who was parliamentary secretary to the board of education in Britain from 1937 to 1940, a man with a long career in both government and education, stated recently as reported in *Saturday Night* of January 22:

> At the university level we have a system of grants so extensive that there is nothing like it anywhere else.

He was referring, of course, to Britain. He stated that 75 per cent of the university students there are receiving grants from the state. The basis of entrance is entirely on merit, a fact which keeps down wastage. We all know there is no point in training people if they have not the ability to absorb such training. I quote again from Mr. Lindsay:

> About 60 per cent of all British universities' money comes from the state through the university grants committee which gives something like 20 million pounds per year, with no questions asked.

My next plea to the government in the interests of education is that it proceed forthwith to set up the Canada Council, as recommended by the Massey commission. Not long ago the Prime Minister (Mr. St. Laurent) spoke in this city to a group of educators interested in the humanities. I was fortunate enough to receive an invitation to attend the meetings. In a very fine speech during one of our evening sessions the Prime Minister, with his usual caution, the caution which one can understand since it is the corollary of responsibility, did not commit himself to the setting up of that council but he did by his speech inspire hope in the breasts of those who heard him that such action would be taken at this session. Certainly those who were interested were keenly disappointed to learn there was no mention of it in the speech from the throne.

I do not know whether or not the Minister of Finance (Mr. Harris) had anything to do with putting the brake on the wheels of progress in that particular case, but he can answer for himself or to his own conscience. Canada is slowly and gradually emerging, Mr. Speaker, from the feeling of inferiority which has always bedevilled us in literature and the other arts. Perhaps our pioneer preoccupation with primitive things, or perhaps our progress towards our own independence and our progress in material wealth, has been so swift that our appreciation of Canada's greatness and the capabilities of her people has not kept pace. We, ourselves, are at last discovering that there is as much drama in the lives of native Canadians as a basis for literature as there is in other people's lives.

Our artists are beginning at last to realize that there is as much beauty in a prairie sunset or in the Quebec woods as there is in a European scene which it was once conventional to portray upon a canvas. And I pay my tribute here to the great advance made by French-Canadian culture. Investments in the promotion of Canadian arts, such as I suggest, would add to the enjoyment, the education and the culture of all Canadian people.

And now I come to my third request—and it is really the meat of my resolution. I had thought once of spending my whole time upon it, because I am well aware that there are a good many new members who have come to the house since I last spoke on the subject and since the last debate upon it occurred. But I would tell them that it is all on *Hansard*—and that it has been there for the last six or eight years. While I have not time to go into it in too much detail today, I shall take whatever time Mr. Speaker will allow me.

My request is for more support from the consolidated revenue fund of this country to the provinces for the support of such programs in general education as the provinces themselves desire to maintain. There should be some degree of equality of opportunity in education for all Canadian children, irrespective of the province from which they come, and irrespective of the

economic status of their parents—and the last is very important. We know that high school education, while free in the sense that people do not have to pay fees for it, is not in fact free. There are such things as clothes and books, and members of large families who must go out to support others who are younger than themselves, and who are growing up.

There are many children who, through circumstances over which they have no control, are underprivileged in the matter of education. In the financial educational structure of Canada we want stability. When economic disaster comes in the form of a failure in the wheat crop, or floods, or any other circumstances of that kind, we do not want education to be the first casualty, as it usually is. And that is certainly true in times of war.

And may I say to some of my friends who like to turn this into a political dispute, who sneer and ask questions about the C.C.F. government in Saskatchewan, and all that sort of thing, that sincerely, so far as I am concerned, there is no political element whatsoever in this resolution. I move it simply in what I believe to be the interests of Canadian children. And I have not in mind the children in my own province any more than I have in mind the children of New Brunswick, Quebec, Alberta, or whatever province one may choose.

In view of the history of this country one can understand the fears held by some that federal aid might somehow imply or involve federal control. Well, one can understand that view; and one can understand, too, how politicians could have some success in promoting that fear for their own purposes. But for such fear in my opinion there is not the slightest shred of justification. The technique of federal grants in aid, without federal control, has already been well established. Consider the Agricultural Instruction Act, the Technical Education Act, the Youth Training Act, the Vocational Training Coordination Act, all providing financial assistance for education, without any control. Is there anyone in this house bold enough to get up and say that any federal control has been exerted in any of these spheres?

And then there are national research scholarships, D.V.A. university grants, direct grants to universities, grants to the research council for university research, the training of cadets at colleges, the maintenance of the education board of the bureau of statistics. And, by the way, while we are talking about constitutional matters, how about federal aid in matters of provincial control for family allowances, or the national health program? I am not objecting to it, and I do not think anybody else is.

Perhaps I should explain what I mean by equality of educational opportunity. I remember one hon. member in one of the debates who certainly did not understand it. I suppose it is easier to say what it is not than to say what it is. It is not in any degree equality of education. It is not uniformity or standardization of education—for the first is impossible, human nature being what it is, and the second would certainly be undesirable and, if possible, would imply a control to which I personally, and everyone I know, would be opposed.

The idea of equality of opportunity is simply an attempt to give every Canadian child as good a chance to obtain an education as any other Canadian child. In my opinion that is his birthright in a civilized and democratic country.

It is not equality but inequality which prevails now, and its cause is almost entirely financial. The financial problem manifests itself in many ways, among others a shortage of teachers—and we see this all around us —inadequately trained teachers, which we see in evidence everywhere, the lowering of standards, the lack of buildings and equipment, overcrowded classrooms, lack of transportation in outlying districts, unequal distribution of wealth as between provinces and districts and, in some places, a complete lack of educational facilities.

I have tried to avoid using statistics in this speech, but I would recommend for the reading of members in the house two reports which are the result of intensive research into this whole matter, and where comparisons as between province and province may be found. I refer to one report compiled by the Canadian teachers federation in December 1953, entitled "Educational Finance in Canada", and a report prepared by Dr. LaZerte under the sponsorship of the Canadian school trustees association, a body which I may add is completely in favour of federal aid.

We have reached almost an impasse in education in Canada. Education has always been almost entirely a charge upon real property. Well, I submit that cow has been milked dry. The municipalities, in desperation for funds, turn to the provinces, some of which at least have increased their grants, and most of which have reached the end of their ability to pay more.

The basis of taxation for general education must be broadened. I have seldom heard of bachelors or childless couples complaining about assessments for purposes of education of the children of others. And I have a better opinion of my fellow Canadians than to think that the wealthier provinces would complain if some of the funds they contribute to the consolidated revenue fund were used for grants to ensure education for the underprivileged children in other and less fortunate provinces.

This is a matter of vital public concern. Hundreds of organizations throughout the country have endorsed federal aid. I have not time to list them, but I do have a list a foot high. The only difficulty opposed to it is a political one, and that is based upon an unreasoning fear that somehow federal aid would imply federal control, and might involve interference with provincial jurisdiction or minority rights, a supposition I emphatically deny. However, I have already dealt with that phase of the subject.

The press of the country is full of articles setting out the difficulties faced in the educational system. I have before me a dozen or more clippings taken from the press in the last week or two. I find in one, for instance, that we are unable to train a sufficient number of Canadian teachers. I find that Ontario and Saskatchewan—and there may be other provinces—have actually been importing teachers from Great Britain. There may be good features in that. I know I favour the idea of exchange of teachers as between provinces and countries, but here is a compulsory one. While it may have its good features, I suggest to you that it is a sad commentary on our own system of training our teachers. What a blow to our national pride! This great country is looked up to for its wealth, but we cannot train our own school teachers. We have not the money to do it, so we take the ad hoc business of going out and grabbing them here and there wherever we can.

Here are a few pertinent things I picked up in the press recently. From the *Globe and Mail* I picked out the following:

> Secondary school enrolment will increase in Ontario by more than 100,000 pupils in the next ten years and the province will require 4,000 more teachers.

This is a statement by Dr. Sidney Smith, president of the University of Toronto, as quoted in the paper I have mentioned. Here is another one:

> In 1952-53 Canada had many unqualified persons substituting as teachers. Of these, 5,100 had no professional training, 3,700 had partial training and other thousands had poor qualifications.

Dr. LaZerte in *The Listening Post*, as a result of a study he made of the situation for a full year, said this:

> In 1951-52 the amount per pupil spent on a British Columbia child was over three times as high as in Newfoundland and Prince Edward Island.

Well, sir, these little children are there. Is that justice? Surely it is for us to do something for them. The sum of $3 is spent in British Columbia on the education of a child, and the little child, because he has the fortune or misfortune—I leave it to the members from those provinces, I dare not express an opinion on it—to be born in Newfoundland or Prince Edward Island, has $1 spent on him. I am asking you if that is justice. The child, of course, is not in a position to do anything about it, but I suggest to you, sir, that you and I ought to, and the government should, do something.

I picked another one from *Le Nouvelliste* of Three Rivers. The article pointed out the number of teachers working without teaching certificates or diplomas. It said:

> Schools in rural areas have two choices, close down completely or employ untrained teachers.

We have substandard teachers in my own province and in Manitoba. As a matter of fact there are some in almost all the provinces. We ought to be ashamed. I saw another headline in a paper. Mr. Parker, a member of the Northwest Territories government, said that education is the territories' chief problem. It is one of Canada's chief problems. Education in Canada is big business and we should be concerned to see that we are getting value for our own money. I found statistics for 1953 which show that the percentage of teachers with university degrees is 24·6 in Ontario; 19·3 in Nova Scotia; 11·5 in New Brunswick; 5·1 in Prince Edward Island and 4·5 in Newfoundland. I am glad to be able to report that that is much better than it was at the last time a similar survey was made. We are making progress in that direction.

I have another heading which appeared in the Ottawa *Citizen* a few days ago as follows:

> Soaring enrolment poses problem.

The article proceeds to discuss overcrowding in schools and shows it is a major problem in all provinces.

Then, Mr. J. Roger Pichette says that in his constituency of Restigouche county 1,600 school-age children "are not attending any school or at best attending one or two months a year". I do not know as to these facts. I am quoting them from what I consider to

be reliable papers. This paper which states that to be a fact also makes the comment that the federal tax system's purpose is to make it financially possible for all the provinces, whatever their tax base, to perform their constitutional functions themselves and to provide a reasonable level of provincial services without an abnormal burden of taxation. I am suggesting that the burden of taxation on the municipalities and on many of the provinces of this country in respect of education is in fact abnormal.

A Canadian Press dispatch from the Vancouver *Sun* reports under this big headline: "Teachers blast Alberta scheme":

> Dr. L. P. Patterson of Montreal speaking said it was a retrograde step of the worst kind.

I presume Dr. Patterson was a special speaker out there. When he said it was "a retrograde step" he was describing a plan to allow unmatriculated, grade 12 students, to go out and teach schools in the province of Alberta.

In picking out these press items, I have made no reflection upon any of the provinces, nor do I make any reflection on the school boards or on the teachers. They are caught up in the web of an impossible educational financial situation. The fact that there are 40 per cent of the teachers in one province with no professional qualifications or with less than the minimum requirements is no reflection on those people who day by day have to go into their school rooms and work in the face of those problems, sometimes for very small rewards, though I am pleased to note that that reward is now greater. But I say this: you can build a million dollar school with all the gimmicks—I hate that word, although I have used it—but if that school has not the prop of teachers of scholarship, ability, character and qualities of leadership, the whole edifice might as well educationally tumble down about your ears. Such people must be adequately trained and adequately paid, and their work must be adequately recognized. Sir, we do not submit the bodies of sick children to untrained or unskilled doctors. Is it not more important that we should make sure that we are not submitting their minds over a twelve-year period to unskilled, low-paid and inexperienced mentors?

The solution for this teacher problem, like others I have mentioned, is simply federal aid to education. True, education in its administration and curriculum is and must be, I insist, a provincial problem, but its results are national, especially in these days of easy communication, of quick transportation, of resettling as from one province to another, of Saskatchewan people moving to the Pacific coast to live in British Columbia, of Quebec people moving into Ontario and occupying lands and working in Ontario where they come under a different provincial jurisdiction. The education given in one province permeates the nation. As an instance of that, I would ask you to remember the great debt that we have owed for the last 50 years to educators from the maritimes who have come out to the west and assisted us with our teaching problems there.

In conclusion, let me return to my original theme, the building of a great and an educated nation. Our young men and women, as they traverse the world, will not be regarded as the products educationally of any particular province, but as products of this great free land, which is Canada. Let us use every means in our power to see to it that it also becomes an enlightened land.

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I am rising to oppose this motion. Before I state the grounds for my opposition to it, I should like for a minute or two to indicate to you, sir, and to the house that in opposing the motion I am not and I do not want myself to be the cause of being represented as being opposed to many of the objectives outlined by the hon. member for Saskatoon.

I took a few notes while he was speaking. I doubt if there are any hon. members in this house who are so reactionary that they would quarrel with his view that it should be the desire of the Canadian nation to have as close an approach as we can get to equality of opportunity for the children of this country. If I were not restrained by the restraint shown by the hon. member, I would even go so far as to say that probably no government had done more toward achieving those objectives than the government which is now occupying the rather depleted treasury benches. I am going to state precisely why I have expressed that view.

In the days when I was making what I hope even the hon. member for Winnipeg North Centre (Mr. Knowles) will admit was an honest living as a teacher—and may I say that I am not pretending for a minute that I am a teacher any more—

Mr. Macdonnell: What about an honest living?

Mr. Pickersgill: I hope it is honest. In those days, as the hon. member for Winnipeg North Centre knows, as everyone knows who comes from Manitoba where he and I were brought up, indeed as anyone who comes from any one of the western provinces or

from any of the Atlantic provinces knows, in those years we really did have a financial crisis about education in this country. We had a financial crisis about everything else the municipal and provincial governments had to do with. By the end of that period it was so great that it had affected even the wealthiest of the provinces.

Nothing that has been done since confederation has done so much to bring about equality of opportunity, or the possibility of equality of opportunity, for the children of this country as the policy of redistributing a portion of the national revenues so that the provincial governments will be in position to carry out their constitutional functions for themselves. That policy was recommended by the Rowell-Sirois commission, which as everyone knows was appointed in the summer of 1937 and made its report early in the years of the war. Despite a good deal of opposition from some prominent members of certain parties on the other side of the house, that policy was translated into an offer by which every provincial government was free to accept a tax rental agreement which would put it in a position to carry out its educational functions, which in my view is the most important of all its functions, for itself.

If the amount which the provinces receive under the tax rental agreements is not sufficient to enable the provincial and local authorities between them to provide equality of opportunity in the field of education, then I say right away that could be remedied through a redistribution of the national revenues so that might be possible. My own view is that the present tax rental agreements do redistribute the revenues of this country in such a fashion that it is quite possible in every province, I do not say to provide the kind of education all of us would like to see but to provide a real approximation to equality in all the provinces, provided the people of a province want it enough to elect the kind of provincial government that will insist upon providing it.

Mr. Knowles: Tell us about Newfoundland.

Mr. Pickersgill: I will tell you about Newfoundland. As a matter of fact that is why I intervened so early in this debate. I did want to say something about the particular relationship of Newfoundland to this motion.

Mr. Coldwell: Has the hon. gentleman not thought that the present suggestions regarding tax agreements might undermine them seriously and prevent a further possibility of the provinces carrying out their responsibilities in this regard?

Mr. Pickersgill: I am pleased that the hon. gentleman has given me an excuse to say something which I rather hesitated to say. I was afraid that if I brought up that subject I would be accused by the hon. member for Saskatoon (Mr. Knight), who clothed himself in a non-partisan cloak, of introducing a partisan note. I do not think that anything will be found anywhere in any utterance from this side of the house that suggests that. It seems to me that the assurance which the Prime Minister (Mr. St. Laurent) gave in the letter which he addressed to the provincial governments, an assurance which he has given repeatedly in public, is the most complete answer to that.

It does seem to me that those people who are taking exception to the efforts which we are making to see that undue burdens are not placed upon one group of Canadian taxpayers because they happen to live in a province whose government does not want to have a tax rental agreement; it does seem to me that the continued attacks which are made upon these efforts to provide a reasonable equality for these Canadian citizens, are not helping to ensure the stability of this system.

If I may continue with the thought that I had started with, I am not saying that this redistribution must be done by means of tax rental agreements. Perhaps I had better quote from the letter which the Prime Minister addressed to all the premiers except the premier of Quebec, and something similar to the paragraph I intend to read was in the letter to that premier. The passage I have in mind will be found on page 281 of *Hansard* of January 17, 1955, and reads:

> We did indicate, however, that the federal government was not wedded to the principle of tax rental agreements to the exclusion of any better alternative arrangement if one could be found. At the same time, we made it clear that the present government had no intention of abandoning the objective of the tax rental agreements which is to make it financially possible for all the provinces, whatever their tax base, to perform their constitutional functions themselves and to provide a reasonable Canadian level of provincial services without an abnormal burden of taxation.

As the Prime Minister (Mr. St. Laurent) said, that is the foundation of the policy of the federal government. I am going to make the statement right now, Mr. Speaker, that so long as I am a member of the government that is going to continue to be the foundation of the policy of the government.

Mr. Knowles: You might find yourself incompetent one of these days.

Mr. Pickersgill: Quite so. That is possible. We have a democratic system and some day, I suppose, the people of Canada will get tired of us.

Some hon. Members: Hear, hear.

Mr. Pickersgill: But I do not think that day is dawning just yet.

Some hon. Members: Oh, oh.

Mr. Coldwell: In a couple of years.

Mr. Knowles: It is obvious you need to get back to education.

Mr. Pickersgill: It perhaps would be prudent for me to keep my hand in. Next to the tax rental agreements or the principle of the tax rental agreements to which I have just alluded, I do not think that any other measure that has ever been enacted by this parliament or by any provincial legislature has done more to bring about equality of opportunity for the children of this country than has the family allowance legislation which was introduced by my old chief, Mr. Mackenzie King. Of all his many achievements, it may be the one which will have been of the most enduring value.

There are many other ways in which the federal government can—as it has and as I hope it will continue to do—advance in a general sort of way the cause of education in this country. The hon. member for Saskatoon referred to several of these things. One could refer to a good many others such as the university grants, the scholarships provided by the research council, some of the appropriations provided by my hon. friend the Minister of Labour (Mr. Gregg), some by my hon. friend the Minister of National Health and Welfare (Mr. Martin) and a host of other particular things. The Minister of Agriculture (Mr. Gardiner) does a good deal of this sort of thing. The Minister of Fisheries (Mr. Sinclair) does something.

Mr. Coldwell: What about defence?

Mr. Pickersgill: I suppose half the departments of government do something of that sort. But that is not what the hon. member for Saskatoon really means by this motion.

Mr. Knowles: Your own department does some of it too.

Mr. Pickersgill: Nor is that what I mean when I oppose this motion. This is not strictly relevant, Mr. Speaker; in fact, I think it is strictly irrelevant, and if you call me to order I will not persist.

Mr. Nowlan: We should appreciate that.

Mr. Pickersgill: The hon. gentleman referred to the proposed Canada Council. I think he did a bad day's work for that project by his intervention in this debate today. I know that what he did was quite inadvertent, but there is no consideration that is more apt to make this or any other government prudent about establishing a body like the Canada Council than to have it labelled as "educational" and to have it suggested that it is an intrusion into the field of education which, by the constitution—as the hon. gentleman pointed out four or five times in his remarks—is reserved to the provinces. I do not conceive of the Canada Council as recommended in the Massey commission's report as being in any sense—except the sense in which all life is education—an educational body at all. I do not think the establishment of such a body would be an intrusion in any way whatsoever into the field of education as defined in the British North America Act as a field of jurisdiction for the provinces. But when it is advocated in these terms misleading views are developed and disseminated and circulated.

As every hon. member knows, we in this house have to live or, as I have been reminded several times already, die by the votes that are cast by the electors. In other words, all of us here depend on public opinion. If it is established in the minds of the public that the Canada Council is primarily as an educational agency, I doubt if any government will ever establish it. That is all I intend to say about that subject now because I want to go on and deal with what the hon. gentleman himself said was the real point of this motion.

As I took down his words, he said that what he was really advocating was more support from the consolidated revenue for the provinces for education. If I have misrepresented his stand in any way I should be glad to be corrected before I proceed with my argument. He said this was necessary in order to provide stability in education. Then he went on to say that many people fear that federal aid of this description might involve federal control. I happen to be one of those many. I think any member of the House of Commons who would vote federal money to be spent by the provincial governments for education in general, without any kind of control upon the spending of that money or the use to which it was put, would be false to the trust that we have here as members of parliament.

Some hon. Members: Oh, oh.

Mr. Knowles: Now who is doing a bad day's work?

Mr. Pickersgill: That is my opinion. This is a free country and anybody who wishes to do so is at liberty to differ with me.

Mr. Nowlan: We do it every day in the week.

Mr. Pickersgill: I am sure I will have one supporter in this house in the person of the hon. member for Greenwood (Mr. Macdonnell) because he, like me, believes that there should be some control of the way in which the taxpayers' money that we raise is spent; and he thinks it is our duty to control it. He said so yesterday in terms that I thought were quite eloquent and that were echoed, rather less eloquently I thought, by quite a number of other hon. gentlemen opposite.

Mr. Coldwell: What about the money that is now paid under the tax rental agreements or the numerous grants we make to voluntary organizations across the country? What about those?

Mr. Pickersgill: That is precisely the point I am coming to.

Mr. Coldwell: What about the tax rental agreements?

Mr. Pickersgill: That is precisely the point I am coming to and if I may be permitted to proceed—

Mr. Nowlan: What about the grants to universities?

Mr. Pickersgill: If the hon. gentleman would like me to answer that question, I will answer it; but that will make my remarks a little bit longer. However, I think I would rather first make my main point and deal directly with the point raised by the hon. member for Rosetown-Biggar (Mr. Coldwell) because, in my view, it is the nub of the whole matter and it is the point on which the hon. member for Saskatoon and I really differ. Just so that we may look at it I am going to read his resolution and from it I think I will be able to make quite clear the point of difference between us. It reads as follows:

That, in the opinion of the house,—

That is common coin.

—the government should take into consideration the advisability of taking steps to relieve the financial crisis in education,—

In the first place, I do not admit that there is a financial crisis in education, but that is another matter.

Mr. Knight: Read it all.

Mr. Pickersgill: There may be individual financial crises in many places but I do not think there is a national financial crisis in education at all. The resolution continues:

—without encroaching in any way on the exclusive jurisdiction of the provinces in this field, by granting financial assistance to the various provinces for the expansion and equalization of educational opportunity across Canada.

Now, I say, sir, that the motion is a contradiction in terms. Let me deal with the way in which it differs from tax transfer payments or tax rental payments. Whichever hon. members prefer to call them, it seems to me there is not a great deal of difference between the two conceptions. They go right back to confederation. As every hon. member knows, though some people outside the house seem to have forgotten it, there would have been no confederation at all if there had not been subsidies paid to all the provinces in lieu of the revenues that those provinces received before confederation from customs duties and other forms of indirect taxes. Those subsidies were insisted upon by practically all the fathers of confederation from all the provinces but one, and of course, as everyone knows, George Brown was strongly opposed to these subsidies because he said that the jurisdiction that spends the money should raise it.

That is a fine principle, and I would agree with that if the wealth of the country were today or had been in 1867 uniformly spread across the country. But we all know it is not and that to have a united country, to have union in the first place, and to maintain it ever since, it has been absolutely imperative for the federal treasury to collect more money than the federal services require and to pay some of it to the provinces for their free and unfettered use for provincial purposes, and then to leave it to the provincial legislatures to decide how that money shall be used.

That is the system I am in favour of because it seems to me it is the only system that safeguards provincial autonomy. It leaves it to the people of the provinces to decide for themselves whether they want to spend that money for education, which is their responsibility, or for roads, which are their responsibility, or for any of the other provincial services. On the other hand, what the hon. gentleman is suggesting here is either one of two things. He is either suggesting that we just add to these tax transfer payments an additional sum, and if that is all he means I think it would be more honest to say so in plain language that would not permit of misunderstanding, or if that is not all he means, if he means we are going to pay this money over to the provinces and insist upon its being spent for education, then if that is not control by us of how the money is spent I do not know what it is. If that is not infringement of provincial autonomy, I do not know what would be infringement of provincial autonomy.

Mr. Coldwell: That is stretching the point.

Education

Mr. Pickersgill: In a great many provinces, the one I represent in particular—and I leave it for members from other provinces to speak for themselves—that is why propositions such as this are viewed with such great suspicion. It is thought that behind these proposals lies some hidden design to take away the control from the people of these provinces and put it here in a place where some of us are supposed to think we know so much better than the people in these provinces how their affairs should be managed. I am not one of the people who think that.

As a matter of fact, it is only five and a half years since the province, a part of which has honoured me by electing me to this house, became a part of Canada. The province of Newfoundland—and I use the word "peculiar" in no invidious sense—has a peculiar educational system. It is peculiar in one sense only, in that it is different from the educational systems in all the other provinces. I am not going to say, because it is not my business to do so—I was not elected for the purpose; the members of the legislative assembly were elected for the purpose—whether I think that system is better than or as good or not as good as the system in any other province. But it is the system that up to now the people of Newfoundland have indicated they want to have. As most hon. members know, it is a denominational system with four different sets of schools, and the people have not indicated that they want to change that system.

I am not saying that for us to put a certain sum of money into the treasury of Newfoundland would necessarily change that system at all, but I am saying that I think it would not be a responsible thing for us simply to pay over that money without laying down certain conditions, and first of all the condition that it must be spent exclusively on education. That would be the first thing. May I say that I think some of the speeches made already in debates this session, speeches which have not contributed much to national unity, as the hon. member for Rosetown-Biggar (Mr. Coldwell) and some people around him know very well, indicate what a dangerous thing it is for us here to be tampering with things which are not our constitutional business.

Mr. Coldwell: Just a moment. The minister speaks of people sitting around the hon. member for Rosetown-Biggar, but will he not agree that some of the people who sit around him have not been immune from raising difficulties in the same direction?

An hon. Member: More so.

[Mr. Coldwell.]

Mr. Pickersgill: I do not admit it, but if it is true it only adds force to my argument that we should not be debating education in this house at all.

Mr. Knowles: Would the minister permit a question on the point he has been discussing?

Mr. Pickersgill: Certainly.

Mr. Knowles: He knows of course that through the Department of National Defence federal money has been made available for the building of at least one school in the city of Winnipeg.

Mr. Pickersgill: Oh, quite.

Mr. Knowles: The money was turned over to the school board of Winnipeg for the purpose of building a school, and it has happened in other places too. Does that interfere in any way whatsoever with the complete control of the province of Manitoba over education within that province?

Mr. Pickersgill: No, sir, I do not think it does.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I do not think it interfered with the complete control of the government of Ontario over education when my own department provided money to build two extra rooms on one of the schools in the city of Sarnia so that Indian children could attend the ordinary school to which other children go. I do not think it interferes with education when we provide anything for a specific limited purpose that is agreed to with the province in advance and where we retain control of the purpose for which it is used. Nor does it contribute to the objective of the hon. member for Saskatoon (Mr. Knight). He said his objective was equality of opportunity, not meeting particular situations.

To get any approach to equality of opportunity surely we have got to say that the money should be used not just anywhere but where it is needed to create that equality of opportunity. We know that there are greater inequalities within provinces than there are between one province and another. If we are going to try to get a better approach to equality of opportunity through the spending of federal money, if that is what we are really going to do, then we have got to say that it must be spent in the poorer parts of the provinces or in the parts that lack educational facilities or for some specific purpose. The moment we start doing that we interfere with education.

Mr. Macdonnell: What if it were for the children of the men of the forces, which you have done?

Mr. Pickersgill: For children of the members of the forces or for the children of Indians or when the federal government interferes with the normal course of activities or when it has a responsibility of its own, it seems to me it is not unreasonable for it to make a contribution just as we make a contribution to the finances of the city of Ottawa because we require so much of their services.

Mr. Knowles: That does not give you control over Charlotte Whitton, does it?

Mr. Pickersgill: That really has nothing to do with this issue at all. I did not catch the hon. member's remark.

Mr. Knowles: That does not give you control over Charlotte Whitton, does it?

Mr. Pickersgill: Well, it might be, sir, that despite the omnicompetence of parliament we here cannot perform miracles.

Mrs. Fairclough: You have not enough money, either.

Mr. Pickersgill: I would not insult the lady that way. If I might return again to the motion and my objection to it, it is this. A grant for education may not accomplish its purpose unless we do exercise control over the spending of the money.

I should like to take the most extreme case. I do not know whether the hon. member for Saskatoon (Mr. Knight) mentioned just how much he thought these grants should be, but let us assume that in the province of Nova Scotia—I take that province particularly because the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) has shown interest in this subject—the amount of money spent by the provincial treasurer on education is matched by a federal grant. Would we say that the grant was conditional upon Nova Scotia continuing to spend the amount of provincial funds it is now spending or would we not? If we did, we would be interfering with provincial autonomy; and if we did not, we would be leaving the provincial treasurer of that province, were he so minded, free to cut out the provincial appropriation and the cause of education would not be helped at all.

Mr. Coldwell: Does the dominion not state now, in connection with the health grants, that the federal grant should be matched by the province? Is that not exactly what you do?

Mr. Pickersgill: Precisely; and in my opinion, to the extent that these conditions are accepted we exercise control. If the hon. gentleman thinks that health is exclusively within provincial jurisdiction, then these conditions may be an infringement upon that jurisdiction.

Mr. Coldwell: Of course I do not.

Mr. Pickersgill: It is certainly an intervention into the field of health.

Mr. Coldwell: To the benefit of the Canadian people generally?

Mr. Pickersgill: Yes.

Mr. Nowlan: Would it be an infringement of provincial autonomy if the federal government said that if the province reduced the amount spent on education the federal government would reduce its grant accordingly? Would that be an infringement of provincial autonomy?

Mr. Pickersgill: I really value the hon. gentleman's question. I think it is a very serious one. I feel it would be productive, perhaps, of more disunity than anything else I could possibly think of. The hon. member for Digby-Annapolis-Kings raises a very serious point. I am going to answer him, but a bit indirectly at first. I am going to say this. I do not believe there is anyone in this house who does not feel that the situation which has existed for the last few years, whereby we collect the same taxes right across this country, and where one provincial government for reasons of its own did not take advantage of the tax rentals available in that situation, has not contributed to the unity in the country.

It seems to me that if we started to make these so-called unconditional grants—I took down the words used by the hon. member for Saskatoon and he said that nothing should interfere with the administration or curriculum; he favoured complete control by the province. He said it three or four times. What I am saying is this. If you say that if the provincial government reduces its appropriation we will reduce the federal appropriation accordingly, and if that happens in two or three provinces and does not happen in others, if the federal grants are proportionately much higher in provinces like Nova Scotia and Manitoba—I am just taking them at random—than in provinces like New Brunswick and Saskatchewan, is that result going to contribute either to equality of opportunity or to unity in the country?

It does not seem to me it is going to contribute to anything but a feeling, first of all that we are interfering with provincial matters and, second, that we are favouring provinces whose governments do things we want them to do and discriminating against provinces whose governments do not behave

in the way we think is appropriate. In other words, we would be attempting indirectly to dictate the provincial budgets for education. For that reason, sir, I simply cannot support this motion.

Now, if the hon. gentleman instead had made a perfectly simple, honest and straightforward motion—

Mr. Coldwell: Well, he did; it is honest. I object. I do not think the minister has a right to describe it as not an honest motion. Surely that is not correct. I do not think the minister meant what he said.

Mr. Pickersgill: I meant precisely what I said.

Mr. Knight: I ask that this statement to the effect that in moving this motion I have been in any way dishonest should be withdrawn.

Mr. Pickersgill: In the first place, I did not say the hon. gentleman was dishonest.

Mr. Macdonnell: By implication, yes.

Mr. Pickersgill: The motion, I said, was dishonest, and I repeat it was dishonest.

Mr. Knight: On a point of privilege, Mr. Speaker—

Mr. Deputy Speaker: I listened carefully to the words which were used by the minister. He said that "if the hon. member had made an honest and straightforward resolution or motion"—I forget whether he used the word "resolution" or "motion"—and I do not think there was any implication against—

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order. I do not think there was any implication against the hon. member who proposed the motion. If there was any implication against the hon. member who proposed the motion, then I must ask the minister to withdraw it. If there was no implication, then the remark need not be withdrawn.

Mr. Pickersgill: Well, sir—

Some hon. Members: Withdraw.

Mr. Pickersgill: I am quite willing to say, and I say without hesitation, that I do not think there was anything dishonest about the motives of the hon. member in putting this motion. But I do think, and I repeat—if the hon. member for Quebec South (Mr. Power) were here now he would agree with me, judging by what he said yesterday—that hon. members are becoming a little squeamish when they object to the suggestion that motions which they may make in good faith are, nonetheless, misleading.

Mr. Coldwell: Well, that is different.

[Mr. Pickersgill.]

Mr. Pickersgill: I certainly think this motion is misleading. Indeed, I think this motion is a fraud.

Mr. Knowles: Is this the expert who is talking?

Mr. Coldwell: Mr. Speaker, I know that the hon. gentleman is versed in the English language, and when he says that a motion is a fraud, he is going beyond what should be said in this house about any motion that is moved.

Mr. Pickersgill: I shall withdraw the word "fraud", sir.

Mr. Macdonnell: Will the minister let me tell him what the word "fraud" means?

Mr. Deputy Speaker: Order. May I remind hon. members that the hon. member who has the floor cannot be interrupted without his consent.

Mr. Pickersgill: He has my consent, sir.

Mr. Deputy Speaker: Order. I wish to make it clear that the hon. minister, who has the floor, cannot impute motives to the proposer of the resolution, and it was to that aspect of the matter I directed my attention a few moments ago. I understood the minister's remarks to be directed to the resolution and to its wording. I could not find any objection to that. I understand the minister has withdrawn the word "fraud" so surely we can take the matter as being at an end.

Mr. Pickersgill: Perhaps I can confer in private with the hon. member for Greenwood and thereby improve my own education—

Some hon. Members: Hear, hear.

Mr. Pickersgill: —because some day, as hon. members opposite have pointed out, I may need it.

However, I think no exception was taken to my statement that in my opinion this resolution is misleading; and I want to say why I think it is misleading. I think it is misleading because it recommends, to use the hon. member's own words, "more support from the consolidated revenue fund for the provinces". I do not think you could be sure of having in every province more support from the consolidated revenue fund for the provinces for purposes of education, unless you stipulated that the provinces had to continue to spend the amount they are spending now, and that whatever was contributed must be added to it.

I think the moment you did that you would be transgressing the other part of the resolution, which says that you must not interfere with provincial jurisdiction.

Mr. Deputy Speaker: Order. Even after granting a generous allowance to the minister for the time consumed by myself in discussing points of order, I must advise him that his time has expired.

Some hon. Members: Go ahead.

Mr. Coldwell: Finish it.

Mr. Deputy Speaker: If there is unanimous consent the minister may proceed.

Mr. Pickersgill: I thank the house for its indulgence. I was hoping, Mr. Speaker, to have finished in about two more sentences, but it may take three or four to get back to the thread of what I was saying.

The point I was really making was this; that it seems to me, as I said earlier, that in this motion we have a contradiction in terms. If, instead, the hon. member had moved a simple resolution—

Mr. Knowles: You would have opposed it anyway.

Mr. Pickersgill: —in which he said that because of the financial crisis in education—and I would not have agreed with him, but I would not have quarrelled with that phrase in the motion—the tax rental payments to the provinces should be increased so the provincial governments would be in a position to discharge their responsibilities properly, I would have thought that was a perfectly proper kind of suggestion for a member of parliament to make.

But when we try to make people think we are voting for more aid for education, when we have no way of making sure, if we did it, that it would go for education, then I think it is—I see the hon. member for Greenwood looking at me, and I am trying to think of a synonym for the word he and I cannot use—I think it is very misleading to the public.

Hon. W. Earl Rowe (Acting Leader of the Opposition): Mr. Speaker, it is not my intention to answer the arguments of the Minister of Citizenship and Immigration (Mr. Pickersgill), or to attempt to meet the variations and changes in his viewpoint from paragraph to paragraph.

The issue before the house is important, and I compliment the hon. member for Saskatoon (Mr. Knight) for having brought it to the attention of hon. members. I am sure he is conscious of the constitutional difficulties, but at least he has brought before us a problem that is close to the hearts of all Canadians today. I was somewhat interested in the speech just delivered by the minister. I listened, too, to the hon. member for Saskatoon. There is no doubt that the Minister of Citizenship and Immigration, while perhaps he did not intend to, could have provoked an interesting debate on many points if he had been permitted to deviate that far from the subject matter of the resolution.

However, I was glad to learn that the minister and the late Hon. George Brown were in agreement, even if each believed that he should not give any subsidies without having control; and yet we know that both did it. I do not see the great danger the minister has mentioned of infringing provincial rights. He says the only procedure would be by means of a redistribution of national revenue, but he says this could not be done unless it were followed up with controllers to look after it. The minister says it is all right to give aid to education to children in one district, because there has been common agreement in advance, but that it could not be granted in another district because control would be required. It seems to me that what he said could be summed up in this way. The minister seemed to say that what we want to do we can do constitutionally, but what we do not want to do we are afraid might not be constitutional.

I must say I am not a lawyer, nor have I ever taught school. But if I had been a school teacher and had offered the arguments he has offered concerning education I would be afraid that my students would doubt me. It is not my intention to get into any controversy with the minister, because he is still a young man. He says he has been in the House of Commons only about a year and a half, and I know he is associated with men who have had wide experience. We know, too, that the minister has had a colourful career in the civil service, and I hope his career in the House of Commons is equally colourful, even if I cannot understand exactly the direction in which he is going.

I do not wish to take up much time in this discussion because I know there are others in the house today who are keenly interested in this matter and who would not take kindly to my encroaching upon their time. Therefore I shall not repeat many of the statements that have been made. It will be recalled, however, that the Leader of the Opposition (Mr. Drew) in 1952 and 1953, as well as on other occasions, emphasized where he stood on this issue, and pointed out the difficulties the Minister of Citizenship and Immigration touched upon today, and how they might be met. No one realized more than he did, when he was minister of education in Ontario, the importance of this growing problem, the education of our youth. But I submit that today it is even more vital, and that it grows more important as the years pass. As our national

progress is more affected by scientific and industrial advance, and a change in the tempo of our times, the education of our youth becomes more vital.

I have had some little experience in provincial affairs. I realize that this is a provincial matter constitutionally, and that it would be easy for us more or less to dodge the issue. I do not mean to imply that the Minister of Citizenship and Immigration was dodging it; I think probably he did not feel too kindly about the way in which the subject was presented by the hon. member for Saskatoon. But I would not want to be unfair to him and say that he was dodging it. He was probably mixing it up a little bit.

One cannot help but realize that this is a real problem. Every taxpayer in Canada who pays into the dominion treasury also pays into the provincial treasury and into the municipal treasury. The cost of education today is colossal. It is increasing at such a rate that we can scarcely comprehend the obligations that are thrust upon the weaker municipalities.

If you want to put the problem on this basis, I know of no better national asset than the educated youth of this young country. I know we are all in agreement that we are very short of trained personnel in this dominion. It is estimated that at the present time we are short 10,000 scientific, engineering and professional personnel. That is a tremendous handicap to a young and growing country like Canada. It is estimated that if students continue to be graduated in engineering and science at the present rate, by 1965 we shall be 190,000 short. If we fail to keep pace with our present progress that will be our position at that time.

Just stop and think of that, Mr. Speaker, what it means and how it might retard our otherwise much faster tempo of development. No one will fail to realize that we need well qualified and well trained men and women in all our different industrial activities, and even in defence itself in this day and age when not only our prosperity and progress depend on it, but our very survival.

It has been said that there is no real financial crisis in education but may I remind the minister that the cost of education has been increasing by about 10 per cent every year. Last year it was $515 million across Canada. That is rising. The cost per student is also rising about 10 per cent annually. We must realize that in every province of this dominion today there is a shortage of schoolrooms and of schoolteachers. This question far transcends politics. I am not going to argue that because the leader of this party has made excellent speeches on this very subject, or that because he did a great service to the province of Ontario as minister of education, this party is trying to do something that the government is refusing to do. Because it is a national problem we must think of it as public men, to see whether we have the authority to deal with it here.

I say that we have the authority to deal with it in another way. We know there is a shortage of teachers. I am not going to go into that, but I believe from 25,000 to 50,000 additional teachers could be used in this dominion. We do know that right now there are over 8,000 classrooms for which there are no teachers, and there are 12,000 more schoolrooms in which classes are taught by teachers, as was mentioned by the hon. member for Saskatoon, who are not up to the standard required by the respective provincial departments of education. These things are alarming. I am going to touch on them only briefly.

Appeals have been made by universities and by student groups suggesting that the government should give special grants. I might also remind the minister that he surely does not propose to control universities, though grants are given to them by the government. These universities are asking for grants to provide 10,000 additional scholarships. There is hardly a university in Canada that has not young people standing at the door waiting to get in. There is a large element of our people who cannot afford to send their children to university at all, and there is a large group who cannot even give their children a sufficient primary education.

In my opinion the strength of this whole country depends more on the education of our children than on almost any other single factor. In fact it is the greatest resource of all. There is nothing more important in the sound development of national character in this dominion, with the exception of religious teaching in the church of God, than our educational system. We are short of teachers, and we must face up to it. I mention that in passing because I am going to leave time for others who I am sure want to speak on this question. I do suggest that this is another glaring reason why we should have had a dominion-provincial conference some time ago.

It is not good enough for the minister to tell us that so long as he is a member of the government he is not going to do this or that. He is still adhering to the old, sound doctrine of Hon. George Brown. He is going to stick to it rigidly. He is not going to give a dollar unless it pleases him or unless there is agreement beforehand. He says that even

if it is agreed to beforehand we cannot control it; but if we have to agree tomorrow he will not like it because we cannot give it unless we control it.

I do say seriously that when we see the situation getting 10 per cent worse every year, the problem increasing to that extent, with the municipalities and the provinces failing every year to keep pace with the general advancement of our country to the extent I have mentioned in engineering and scientific personnel, something should be done about it. We find that there are school children in the different provinces in this dominion for whom there is no room in the schools, and there is a shortage of teachers for those who are in the schools. I say that this should be the principal item on the agenda of the next dominion-provincial conference. This has been going on for about ten years. The cost of education in the provinces has increased by about 100 per cent since the last dominion-provincial conference.

This is another clear-cut spectacle of what is happening in this dominion. If ever there was a plea for a dominion-provincial conference in a hurry it was made this afternoon by the Minister of Citizenship and Immigration. Even if he is one of the junior members of the cabinet I believe he expressed the opinion of the government. If he did, then surely they must realize that they cannot continue giving a handout here only where they control it and say they cannot give a handout some place else because they cannot control it, a gunshot prescription such as they are giving here for avoiding a dominion-provincial conference. Why have they been afraid to call a dominion-provincial conference?

Mr. Pickersgill: One has been called.

Mr. Rowe: I am glad to know that. We have been pressing for it for four or five years. We have not had one for some years. I am glad to know that, and I am sure the Prime Minister (Mr. St. Laurent) will be glad to learn when he returns that somebody has announced it.

Mr. Pickersgill: Read the Prime Minister's letter.

Mr. Rowe: If you can give us the date, we shall be glad to know it.

Mr. Pickersgill: You will find it in *Hansard* of January 17.

Mr. McCann: It was mentioned in that letter.

Mr. Fraser (Peterborough): When is it to be held?

Mr. Deputy Speaker: Order.

Mr. Rowe: Mr. Speaker, this is a clear-cut example that has developed steadily. I think it only fair to say that failure to co-operate with the provinces has already created a lack of educational facilities. The inability of the municipalities to meet this educational challenge already has had a serious effect upon the education of our youth in this country. Education should be advancing like everything else, but it is not advancing today because we are short of classrooms, we are short of teachers, and there are hundreds of children who are not getting a fair chance and opportunity in education.

I would urge the government to keep it upon their agenda, to not continue making the excuse that they cannot relieve the situation but give us some idea how the municipalities, the provinces and the dominion can sit down and revamp an outmoded taxation system so we can meet this situation because as I say even though we are members of this house we are all taxpayers whether municipally, provincially or federally. It is a problem which everybody must face, and it is something which far transcends politics. It is an issue upon which the whole life of this country depends.

We shall be no stronger, in the years that lie ahead, no matter how great may be our resources about which we boast, than the intelligent application of sound principles to our everyday affairs by educated scientists and educated leaders in church, school and society.

Mr. Pickersgill: Is the hon. member and the party for which he speaks in favour of making grants to the provinces for education?

Mr. Rowe: I said I was not going to take up too much of the time of the house, and I do not propose to take up time by answering questions which I have answered already. At the beginning of my remarks I pointed out the constitutional difficulty, and even the hon. member for Saskatoon has referred to that. Over the years the Leader of the Opposition has spoken on this matter and emphasized this problem. I say again that it could be handled by a dominion-provincial conference where everyone would sit around the table. In the meantime, whether controlled or uncontrolled, if the government is going to go through another period without dealing with this issue at the forthcoming dominion-provincial conference then we should approve grants in aid to the provinces and not seek to control them.

I am more concerned about the education of the children of this province than I am about the constitutionality of the matter or any precedent that might be established. I do

not believe that one dollar should be granted by this government that has not provincial jurisdiction. The provinces must have full jurisdiction over their educational system. It is not our business, it is not our function to administer educational expenditures in the provinces. At the same time I think this can be worked out by a dominion-provincial conference; but in the interval, particularly in view of your delay in calling a dominion-provincial conference for the five years in which we have been pressing for it, this situation has developed to where it is now a serious national problem concerning the mothers and fathers in almost every home in this dominion.

Mr. F. D. Shaw (Red Deer): Mr. Speaker, the resolution before the house sets before us an important proposition in clear and understandable language. Its meaning is simple. It asks that the government should take steps to relieve the financial crisis in education by granting financial relief to the provinces for the expansion and equalization of educational opportunities. But it goes further and places emphasis on the fact that this should be accomplished without interference with the administration of education in the provinces. I wish to commend the hon. member for Saskatoon for moving this resolution. It is not the first time that he has sponsored a similar motion. In the face of considerable discouragement he has continued to press his point, and he has certainly had our support from the beginning.

I should like to make one or two points clear. I am sure the hon. member did not intend to leave an incorrect impression, but he referred to certain persons teaching school in Alberta as unmatriculated grade 12 students. He left it at that, suggesting that those persons were going forth to teach school without being given a certain amount of training. True, it is not very much, but they do get some training, and then they must come back during succeeding years and bring up their qualifications to acceptable standards.

I am not going to take up any time defending that particular action. Something was necessary under the circumstances to meet a shortage of teachers. It meant that either such persons were to teach or supervisors would be placed in the schools—persons without any teacher training whatsoever—or that the schools would be closed and correspondence courses only made available to the students.

Mr. Coldwell: I think there is something similar in my own province.

Mr. Shaw: There is something similar in Saskatchewan. It is merely a stop-gap action.

As a former teacher I certainly regret that it seemed to be necessary, but certainly it is only temporary.

I listened carefully to the Minister of Citizenship and Immigration. On the basis of what he said I could cast aside all I had intended saying and spend a delightful 40 minutes analysing his remarks. However, I am just going to make one or two observations. He amazed me. If he did nothing else he displayed a superb skill in building up straw men and then knocking them down, in building up arguments and then almost immediately thereafter completely demolishing them. I suggest to the minister that some of the things he said in that speech of his today are going to come back to haunt him, not once or twice but many times. If I can help play the part of the ghost in the months ahead I shall probably do so.

I can say to the minister that had the government come forward with a proposition under which they would make available money under the terms and conditions as set forth in this resolution and for the same purpose, he could advance stronger arguments in support of it—and they would not have to be very strong to be better. He made reference to the foolhardiness of the federal government raising money and then handing it back to the provinces without conditions attached. He then turned around and put up the defence he did of the tax transfer agreements. To me it was completely ridiculous, regardless of how the minister may try to explain it away.

Mr. Pickersgill: I am sure the hon. member does not want to misrepresent me. I never said I thought it was foolhardy to make unconditional grants to the provinces. I think it is essential, and I defend them to the limit.

Mr. Shaw: The minister seems to have misunderstood me as he did the hon. member's resolution. He advanced the argument, and he did not try to justify it in the light of anything else, that if the government were going to collect money through taxation then they would have to have some control over how that money was spent. He can read his own speech tomorrow and I am sure he will find that. Then with respect to the grants to the provinces under the tax transfer agreements he shifted his position and in my opinion advanced an entirely different set of arguments.

Mr. Pickersgill: Is not the money that is paid to the provinces under the tax rental agreements voted by this parliament precisely for that purpose and, therefore, is not that a controlled expenditure in precisely the sense I was arguing?

Mr. Shaw: As far as I am concerned the question is wholly irrelevant. As a matter of fact the minister seems to be trying to explain away some of his own observations made during the course of his speech. I am suggesting to the minister that where the government of Canada—this government—has made it a matter of policy to make unconditional payments, they have always been able to find mighty good reasons for doing so. Minister after minister and private member after private member have managed to stand on the floor of this house and defend the action. All I am saying is that if they were to accept a proposition of this kind, the same strong arguments would be advanced.

Mr. Pickersgill: Mr. Speaker, I do not like to interrupt the hon. gentleman, but I was interrupted a number of times and perhaps he would not mind.

Mr. Shaw: I hope you do not take that as a precedent.

Mr. Pickersgill: I should like to ask the hon. member to name one other unconditional grant voted by this parliament except a few grants to voluntary organizations; one other unconditional grant to a provincial government except the tax transfer payments or statutory subsidies. I should like to ask him to name just one.

Mr. Shaw: I would say that in itself is sufficient, if you want a precedent. Not only that, Mr. Speaker, but when reference was made to moneys expended for the construction of a school in the city of Winnipeg, or for the construction of two classrooms in Sarnia, the minister was able to spring to his feet and advance very sound arguments.

Mr. Pickersgill: Those were conditional grants.

Mr. Shaw: They were conditional only in that they were for educational purposes. In this resolution we are not suggesting that grants advanced to the provinces to enable them to bring about a condition of equality of educational opportunity should be unconditional. It would be specified that they were educational grants. To that extent they are conditional grants, if the minister wants to carry the argument that far.

Mr. Speaker, I was intensely interested in some of the statistics brought forward today by the hon. member for Saskatoon. I too have a copy of the publication put out by the Canadian Federation of Mayors and Municipalities in which there is a report of an address which Dr. M. E. LaZerte, research director for the Canadian school trustees association, delivered in the city of Windsor at the conference of the Canadian Federation of Mayors and Municipalities. Among other things he stated this:

> In 1951-52 the cost of educating 2,481,018 enrolled pupils was $432,824,000—87 cents per day per pupil enrolled or about one dollar per day per pupil in average daily attendance—cost here covering operation and maintenance, debt retirement charges and capital expenditures paid from current revenue.

Further on in this report Dr. LaZerte pointed out:

> Education at 87 cents per pupil per day may be expensive if there are 35, 40 or 45 pupils per classroom, if schools are not suitably equipped and if the staff consists in large part of grade X, XI or XII youngsters with whatever professional training may be acquired in one or two summer sessions.
>
> On the other hand, education at 87 cents per pupil per day would be surprisingly cheap if at that cost classes were small enough to permit teachers to direct and supervise the learning of individual pupils, if buildings and equipment met satisfactory standards and school boards engaged only educated teachers, preferably university graduates, whose mastery of subject matter is so thorough that they can use it to illustrate, teach and clarify the great truths buried in text books and courses of study.

Further on in this report he says:

> In over 8,000 classrooms there were so many pupils that highly efficient teaching and supervision were impossible.

In dealing with the amounts spent in the provinces on education, the hon. member referred to the great spread between the minimum and the maximum. Dr. LaZerte has this to say with respect to that matter; and incidentally may I say that I thought the Minister of Citizenship and Immigration was going to put up a much stronger defence than he did of the amount per pupil being spent in his own province for educational purposes. Dr. LaZerte said:

> In 1951-52 per pupil costs in British Columbia were over three times as high as in Newfoundland and Prince Edward Island; costs in the five provinces from Ontario west were, on a per pupil basis, 52 per cent higher than in the five provinces in the east. The median of provincial costs per classroom was $4,245 but in Alberta and British Columbia the average cost per classroom was 70 per cent higher than this, while in Nova Scotia and New Brunswick it was 11 per cent lower; in Newfoundland and New Brunswick 62 per cent lower. Per capita costs varied from $16.84 in one province to $45.34 in another . . . in one province society will spend 43 cents per pupil per day; in another province $1.46.

I doubt, Mr. Speaker, whether one would require more evidence than that to convince him of the inequality in educational opportunity if the problem is considered from the national point of view.

One may argue that the federal authorities have no responsibility in this field. However, for several extremely important reasons I think they have a responsibility. In the first place we have the general problem arising

from the fact that immigration comes under the federal government; that is non-British immigration, at least. Only today I was reading that, on the basis of the number of immigrants who came to Canada in 1951 alone, by 1960 there will be 10,000 additional students to be educated in Canada; that is just based on that one year and that one source. In the twelve-year period from 1948 to 1960, in secondary schools alone the population will increase from 305,200 students to 611,475. That is, I would say, a very accurate estimate since it originates with the national bureau of statistics.

As I said earlier, two major problems result as a consequence of this heavy influx into schools which, already so heavily crowded, will be literally swamped within a period of ten years. The teacher shortage, which is already extremely serious, will most certainly become critical, provided that certain definite steps are not taken.

Let us go back to our municipalities and our provinces. We might ask ourselves this question. Is there a desire on the part of a municipality—a school district, if you like; and most of them, in the west anyway, acquire their finances from the municipality —to provide a highly equalized system of education to the children of these areas? My answer is definitely yes; but they have gone just about as far as they are able to go in imposing taxes on the real estate to be found within their specific areas. Have the provinces assumed their responsibilities? Of course that is always a point that can be argued, but it cannot be argued that the provinces have closed their eyes to the problem. For example, I know that in my own province where many, of course, think more money should be devoted to educational purposes, the amount being paid today exceeds the total of the Alberta budget of 1935. Between 22 and 23 per cent of all revenues are going for educational purposes. I am sure that if you examine the budgets of the other provinces of Canada you will find that an extremely substantial proportion of their revenues is being made available for educational purposes.

But in spite of all that the problem is still not being solved. I think there are certain things beyond the control of the provinces themselves. We feel that national policy has had a lot to do with the creation of the problem which they face. In the first place, an extremely high level of national taxation naturally makes it more difficult for municipalities and provinces to secure adequate revenues, taxing within their own specific fields of jurisdiction. I would say that the difficulty which they encounter is in direct proportion to the weight of the federal tax burden.

Second, we must never forget that federal taxation policy has in several other ways contributed toward the very high cost of education. Books and school supplies are 10 per cent higher in cost, and have been over the years, as a consequence of the imposition upon them of the federal sales tax. What has it meant to the school districts and divisions which in a great many cases today operate a number of buses to bring the children to the schools? The federal government has for a lengthy period of time imposed the sales tax upon these motor vehicles. I was reading only recently that a protest was made at the convention of the Canadian federation of school trustees about the federal income tax regulations with respect to those who purchase school bonds and debentures. The cost to the school board is very much higher as a consequence of the position in which purchasers are placed under the federal Income Tax Act. One could go on and give a good many illustrations to indicate why federal policy has made it more difficult for school boards to meet their financial obligations, and why it is absolutely necessary for the federal authorities to make grants without interfering with the administration of education within the provinces.

There were quite a number of other things which I had hoped to deal with, but previous speakers have indicated their desire to let as many as possible take part in the debate. We shall co-operate with hon. members and refrain from utilizing the time which one would normally be entitled to so that other hon. members may have an opportunity of expressing themselves.

We favour the resolution. We have heard nothing today which would change the views we have held for a long time. We think direct grants to the provinces for this purpose are necessary, desirable and possible.

Mr. Pickersgill: Would the hon. member permit a question?

Mr. Shaw: We feel that there need not be any interference in the administration of education within the provinces.

Mr. Pickersgill: Would the hon. member permit a question?

Mr. Shaw: Perhaps I could.

Mr. Pickersgill: Does the hon. member think the government of Alberta needs a financial grant for this purpose at this time, in view of its present budget?

Mr. Wylie: You are being silly.

Mr. Blackmore: Surely it does.

Mr. Shaw: I am always pleased to hear references to the province of Alberta, because I am sure the minister is one of those who have not contributed too much toward painting as bright a picture as should be painted of what has gone on in that province. What we are very anxious to have is equality of educational opportunity. If it is found upon examination that we have the highest desirable level of opportunity within the nation, then possibly more attention could be given to bringing others up to our level in that field.

I only offer that as a suggestion. I am not setting forth any formula at all, as the minister will understand. It is merely a matter of principle. We realize full well that a good deal of negotiation would have to be carried on in order to strike a formula, let us say, that might be satisfactory to all. But we must face up to the fact that we are not even approaching a condition of equality of educational opportunity. Certainly I think it is the desire of all hon. members to have that, even though we may disagree as to the method by which it can be accomplished. Various school trustee organizations across Canada have supported the proposition. Certainly the school teachers' organizations have supported it, and I believe that on a free vote in the house somebody would be absolutely amazed at how many hon. members would support the proposition.

(Translation):

Mr. Pierre Gauthier (Portneuf): Mr. Speaker, an English-speaking member having said recently that he would like to hear more speeches in French in the house, it is partly in deference to his wish that I do so now, in dealing with the motion under review.

I shall try to avoid controversial matters, because I neither want nor wish to raise any controversy. I shall try to be as objective as possible while speaking quite frankly.

Whenever grants to the provinces are mentioned in order to increase educational facilities, we Quebec people inevitably ask ourselves to what kind of education those grants could or should be applied. We respect —as we always did and always will—the rights of the provinces in that field. There can therefore be no controversy about our idea of provincial autonomy in the field of education.

I just said what we have in mind when we hear about grants to the provinces to promote education within their borders. We have a right to ask ourselves whether such grants to the provinces will be used, in this or that province in particular, or in the provinces in general, for the purpose of teaching in those schools a respect for minorities, as we have done and are still doing consistently in the province of Quebec.

We are wondering, and rightfully so, whether grants will be used for the purpose for which they are earmarked, that is, teaching the young people in other provinces who do not speak our language or profess our religious creed to respect minorities within the limits of their provinces.

While I was travelling through the dark continent with some of my friends from the House of Commons, it was always a real pleasure for me—and I could hardly repress a blush of pride—whenever someone, on seeing my badge, would say to me: "You are from Canada? A great country! A prosperous country! The land of freedom *par excellence!*" I used to answer: "That is true, it is in every sense of the word a land of freedom." And, rather than make mental reservations, as far as some zones of bigotry here and there were concerned, in my country, I added, quite frankly: "Apart from those small zones, in Canada, we do enjoy a liberty which can be held up as an example to every country in the world."

I will mention no place names in particular since I have said that I do not wish to raise any controversy, in the course of these remarks. I will say, though, as has already been said here, that I wonder how it is that in certain provinces there still is a lack of respect for the rights of minorities? It would seem to me that the example set by Quebec, in the field of education, is sufficiently fine and enduring to be followed everywhere in this country.

When we hear talk of federal grants to the provinces to increase educational facilities, we might also ask ourselves whether these grants will help to propagate free thinking, for instance.

Will those schools, that will benefit from federal moneys voted by representatives of all provinces, teach that the word broadmindedness or tolerance means the abandonment of our privileges and, particularly, the abandonment of the natural right of parents to have their children educated in their own language and in the religious principles of their own creed?

We have the right to ask that question. In 1950, I read in the *Ensign* an article signed by Miss Helen L. Todd, stating that if Catholic parents would only agree to yield to the will of others—that "others" was implied —and if this Catholic minority would only take advantage of the invaluable benefit of undenominational schools, we could cultivate

in the minds of our youth the understanding and the tolerance with which we could build up this youth.

In short, the veiled meaning of these words is that Catholics should attend undenominational schools, whatever directives they receive from their spiritual leaders.

I mentioned just now the natural right of parents to have their children educated according to their own religious principles. That natural right cannot be denied in any province of this country.

I understand that outside of the province of Quebec certain provinces allow them more or less freedom to build schools and to apply part of public funds and taxes to the maintenance of their schools, and that goes for denominational schools as well. I think I am right in saying that such is the case, for instance, in the province of Saskatchewan. However, Mr. Speaker, coming back once more to that thought which is uppermost in our minds whenever grants are mentioned, I wish, if I may digress for a moment, to say something about our neighbours to the south who are faced with the same educational problem and who are certainly short of teachers in their schools, as shown by their statistics.

Two years ago, the Toronto *Star* published the report of a survey made in the United States on the moral and religious side of the young people. The investigator found out that 20 per cent of the young people had a thorough education, whereas only 20 per cent had any religious principles.

The survey also showed that, far from being radical the young people seemed to be little inclined to give their opinion; they were mainly, to a certain extent—and in a broad sense—conservative with regard to the principles that might help them to decide on the questions asked in the survey. The report says that less than 20 per cent of those questioned, or 1,935 teenagers from 18 to 19 years old, answered that they took little guidance from religion when they had to choose their way of life or the political principles they would adopt, for instance, in respect of interracial relations. The survey does not indicate that those who believe in God would be more tolerant of other races.

I cannot share the sentiments expressed in the findings of this survey since I am convinced that any faith which recognizes universality and respect due to the human being undoubtedly does far more and cannot fail to recognize that the colour of the skin of any man cannot alter the fact that he has been created in the image of his Creator and endowed with a body and a soul.

I do not know who carried out this survey, but, in any event, I cannot share those feelings.

I repeat that I have no desire to enter into a controversy, but I would like to say just a word on the struggle which has been going on in the province of Quebec as far as federal grants to the universities of that province are concerned. I want to quote three different opinions from newspapers of my province, in order to put them on the record.

Le Devoir, as reported in the August 21, 1952, issue of *Le Soleil*, of Quebec, has this to say:

> If the province does not want colleges to accept federal aid, it must immediately revise its grant system and adapt it to the new situation. Colleges, like everybody else, need money; whether they be directed by lay or religious teachers the government will soon have to help them more than it does now.

I understand that the government of my province have given grants to universities, grants provided by taxes paid by the taxpayers of the province of Quebec. I have no doubt that it was due to the fine example given one year by the federal government, an example that was followed by the premier and the provincial government when they gave our universities exclusively provincial grants.

The Sherbrooke *Tribune* went even further than *Le Devoir* and had this to say about rural schools:

> Rural schools, like the large educational institutions in the cities, will soon reopen their doors, but it so happens that in fairly numerous places there is a shortage of female teachers. Such a shortage would certainly not be felt if certain rural districts were not so reluctant to pay adequate salaries to young women who, by inclination and training, had been thinking of taking up teaching as a career.

Mr. Speaker, I have been a member of this house for the last twenty years, after having been eight years a member of the legislative assembly, and I am happy to say—and this will show that I am not playing politics—that since I left the provincial legislature, the salaries of our men and women teachers in the province of Quebec have gone up considerably. I hope that they will go even higher because I know that many members who are listening to me are aware of the value of our teachers for the educational needs of our children.

Le Nouvelliste of Three Rivers wrote, somewhat along the same line:

> Many of those who would have remained in the (teaching) profession hasten to leave it when offered better paid jobs.

I must say, Mr. Speaker, that, as a result of salary increases, fewer teachers, in recent years, gave up the profession in favour of better paid jobs.

I could give other opinions showing that the situation also prevails in the province of Quebec, as far as our teachers are concerned. If we could pay higher salaries to those people who devote themselves to our children, they would not quit their jobs. Nevertheless, there has been a great improvement in our province and it is to the credit of the government, whatever its political trend.

A question rises in my mind when I look at the motion moved this afternoon, which reads as follows:

> That, in the opinion of this house, the government should give consideration to the advisability of taking steps to relieve the financial crisis in education, without encroaching in any way on the exclusive jurisdiction of the provinces in this field, by granting financial assistance to the various provinces for the expansion and equalization of educational opportunity across Canada.

I don't know whether I should vote in favour of this motion, because, as stated by several members who spoke before me, it is a difficult and indeed a thorny matter to embark upon such a debate to decide how far those provincial rights go, and how far the federal rights can go without prejudicing the former. Secondly, I have a right to ask myself: How many provinces have made official requests to the federal government for one or more grants to increase the educational budget in those respective provinces? I would also like to know if other provinces have made similar requests, and, if so, how many? If the provinces have made no such requests, it means that they are able to provide for their own educational needs. However, if some requests have been made by the provinces, my mind is stirred and I wonder if they have specified the purpose for which those grants must be used, because I am of the opinion that all Canadians should be taught to respect minorities within the limits of their respective provinces.

If I often come back to this question of minorities, it is because we, in the province of Quebec, are in a good position to talk about it. In fact, we respect minorities, and have been doing it for a long time now.

We have no ulterior motive, we are not going backwards, we do not let "the madcap in the house", as imagination is called in literature, run around and find reasons, very often bitter, that could make us go in the opposite direction.

We forget everything and we respect the minorities in our province. The natural right of parents is respected by the government and by the people. We would like all provinces to follow this example.

If someone came to me one day and told me that the grants given by the federal government to each province would bring about the disappearance of these small areas of bigotry that still exist though in very reduced numbers and quality, and if I could be assured that outside the country and particularly inside the country there would be regard for the privileges and rights of all, at the risk of being thought of as a more or less hardened autonomist, I would vote for this motion.

Still, before doing so, I shall have to wait until years and experience have shown me that federal grants would wipe out those few small areas of bigoted thinking, which, unless they soon disappear, will be regarded as oddities.

I do not wish unduly to extol my own province, but when education is being discussed and we see what is going on, we have a right to tell the other provinces: "There is an example which is easy to imitate. All you need is a little good will and true broadmindedness. Go ahead, we will be the first to approve!"

(Text):

Mr. A. J. Brooks (Royal): Mr. Speaker, I wish to take only a few moments of the time of the house to discuss this very important matter. I do not intend to deal with it from the constitutional standpoint, because that has already been discussed this afternoon.

I should like to point out the great need that exists for assistance to the different provinces. May I congratulate the hon. member for Saskatoon upon having brought this matter to the attention of the house. I realize, as was pointed out by the minister this afternoon, that under the constitution of our country education is within the provincial field. I do not believe, however, that giving financial assistance to the provinces to assist

directly in education would necessitate taking the control of education from them. Section 93 of the British North America Act says that—

> In and for each province the legislature may exclusively make laws in relation to education.

I do not think for one moment that the federal government could or would interfere with laws made by the provinces concerning education. It is my belief, however, that this provision in the British North America Act is concerned chiefly with the curriculum and administration of the schools. We can still give financial aid and in no way interfere with the administration of the laws of the provinces.

Perhaps in 1867 education was not the burning problem it is today, because in those days the situation was entirely different. At that time perhaps only one out of four or five children went to school. As a matter of fact I do not think the adults saw the need of educating all the children as we see it today. Somewhat later in the development of our country the teaching of the three R's was stressed, and that was considered the ideal in education.

Today, however, the boy or girl who does not have at least a high school education does not seem to fit into the general economy of the country. It has been pointed out this afternoon that the federal government has already assumed responsibilities in education, and I do not believe this has interfered in any way with the responsibilities of the provinces. It has also been said that the need for greater education exists right across Canada.

I wish to refer particularly to the need in my own province, and in the maritime provinces in general. I was not able to follow what was said by the hon. member for Portneuf (Mr. Gauthier) who immediately preceded me in the debate and is a member from the province of Quebec. But Quebec is considered as one of the richer provinces, and I doubt very much whether one would find there the great need for assistance to education that would be found, for instance, in New Brunswick or Prince Edward Island.

Mr. Nowlan: Or Nova Scotia.

Mr. Brooks: Yes, or Nova Scotia; in fact any of the maritime provinces. Quebec has a per capita debt of around $92·24; New Brunswick, $256·62, according to the last report I saw. I have not seen the most recent report. Nova Scotia's per capita debt is around $200. These figures show the difference in the burden which is carried by the different provinces.

The minister asked the hon. member for Red Deer (Mr. Shaw), who made an excellent speech, whether or not Alberta would need the grant. The hon. member replied that Alberta would need the grant as would the other provinces, but perhaps not as much. The debt charges of Alberta as a percentage of revenue amount to 6.6 per cent. In my own province it is 23.8 per cent. Hon. members can see the great difference, and the need in these smaller provinces for more money in order to have what is known as equalization of educational opportunity.

As far as our maritime provinces are concerned, we have endeavoured within our limited means—and I think we have succeeded—to see that our children receive opportunities in education equal to those of the richer parts of this dominion. In the maritime provinces we have been education-conscious for a great many years, but this does not mean that we do not need more assistance at the present time. I feel that we are, to use a common expression, at the end of our tether as far as the maintenance of the standard of education that we desire in our schools is concerned.

I should like to read part of a letter I received in January of last year with reference to this matter from the chairman of the New Brunswick teachers' association. In speaking of the situation in New Brunswick he said:

> During the last decade, the people of New Brunswick have made great progress in education. New buildings, a modernized curriculum, and a secondary training available to every child—all have placed our province in the forefront educationally. These necessary advances have added a great deal to the public debt, both provincially and at the local level; and the burden on property owners has now reached a point where, if federal assistance is not obtained, both our province and its municipalities will be faced with the grim necessity of curtailing their educational programs at a time when we are still lagging behind the wealthier areas of Canada and paying to educate a New Brunswick boy or girl less than half the amount some provinces are able to afford.

That explains in concise terms what the situation is in New Brunswick and what the great need is. The problem is there. I do not care what sort of specious argument any minister makes in this house, the great problem we have in Canada today is the education of our children. No argument by any minister is going to make me or the great majority of the people of Canada believe that there is not some responsibility placed upon the richer areas of this great country of ours. The crisis is very real.

Then there is the matter of teachers. One of the far-reaching results of this financial embarrassment is the fact that we cannot

get teachers for our schools. That point was emphasized by different speakers this afternoon. In New Brunswick it is a known fact that 60 per cent of the teachers in some areas are married women. The young men and young women are not going to our normal schools to take up the teaching profession because the salaries are not sufficient inducement for them to do so. Mention was made of the fact that hundreds of young boys and girls are taken out of school without any technical training at all and placed in charge of schools in the different provinces of Canada. That is a serious situation, and this government cannot wash its hands of all responsibility.

As I said before, the federal government has responsibilities. I do not use this as a strong argument, but during the war many boys came up for enlistment, and one of the great reasons they could not serve their country at that time was that their educational standard was so low that they were not qualified to do so. This country of ours employs many thousands of civil servants taken from all across Canada. The better education we can give the boys and girls who apply for positions as civil servants in Canada, the better that service will be.

I could go on and give many arguments which I believe would be pertinent to this question. The hon. member for Saskatoon mentioned scholarships this afternoon. I agree entirely with what he said about scholarships, and I would support any program which was initiated for further scholarships in this country; but I do not think that is the great problem. The great problem is assistance for elementary schools.

Mention was made of more help for universities. That also is one of the concurrent problems of education. Again I repeat, that is not the great problem in Canada today. The great problem is in the elementary schools. Someone mentioned the fact that 160 schools were closed in the county of Restigouche in New Brunswick. I did not know there were so many; but think of the hundreds of children who are not getting even an elementary education in a section like that, and that situation could be found also in many parts of this country. That figure of 160 schools seems to be pretty high. Perhaps it was 160 teachers; but if it is 160 or only 6, it is too many. So long as a situation like that persists, so long will there be a reflection upon the people of this country.

Mr. Gregg: Would my hon. friend permit a comment? I would like to point out that that situation exists in only one county in New Brunswick.

Mr. Brooks: I thank the minister for making that comment. I would not say it exists in only one county. I would say it exists only in one section. I take my own constituency of Royal. I am very proud of it. The minister knows it very well. In my own town of Sussex we take second place to none in this country as far as education is concerned. We have one of the finest schools to be found in any town of its size anywhere across Canada, and the same is true of other sections. We have more consolidated schools in my constituency than in any other constituency in the maritime provinces. We have rural high schools, and the situation is good as far as facilities for education are concerned. But when it comes to financing that is our problem. When it comes to supplying teachers for the schools, as someone said this afternoon, no matter what kind of school you have—you may have a million dollar school —if you have not well-qualified teachers in that school you will not get good education.

I do not think I should take any more of the time of the house this afternoon. This is a problem which is on the shoulders not only of the people of the provinces but of the whole dominion, because the people of the provinces are the people of the dominion. This is the sixth or seventh year that the hon. member has brought this question before the house. The people of my province believe that something should be done, and I hope this government will take the opportunity to do something which will be of great and lasting benefit to the people of this country.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, in view of the general desire of hon. members to have a decision today on this resolution I shall speak for only a brief time.

I would not like to let this opportunity go by without congratulating the hon. member for Saskatoon upon putting up what is in my opinion a splendid case for federal aid to education. It was my privilege to have a resolution somewhat the same in principle in my name before this house some nine years ago. At that time the debate was quite interesting, but it could not compare with what we have heard today. I feel that very definite progress has been made in favour of this proposition since it first came to the attention of the house.

At the outset I want to say that I do not view the proposal for federal aid to education primarily as an added expense, but rather as a shrewd investment. I doubt if we could make a better investment for the future of this country than to make sure that no stone

is left unturned to provide the greatest opportunity for education to all children, regardless of where they may live.

Progress has been made in other directions. I can recall speaking to a similar resolution about eight years ago and making the suggestion that we would live to see the day when television would provide one of the means of education in our schools. At that time television was in its tiny infancy and there were some smiles around me as certain hon. members probably thought I was too visionary in expressing that opinion. I am gratified to learn, as no doubt other hon. members have noted, that in many schools in this province television is being used as one of the mediums of visual education. This simply indicates that we cannot estimate the speed with which progress can be made provided we are prepared to help it along financially, as this resolution calls for.

I need not traverse the same ground which has been covered by several hon. members. I think it has been made sufficiently clear by the mover of this resolution and by several other hon. members that there is no intention, in fact no possibility, of interfering with the jurisdiction of the provinces in the field of education. There are splendid opportunities to assist the provinces in connection with education without in any way interfering with the curricula or the manner in which education is carried on.

To give only a few examples I would refer to the great need of greater facilities for education, better buildings and better equipment. There are many schools in every province in this country which should be rebuilt. All kinds of grants could be made to assist in providing facilities and physical equipment. Surely that would not interfere in any way with what was done in the schools.

In my opinion the hon. member for Red Deer (Mr. Shaw) made a good case when he pointed out the great burden which must be carried by the municipal governments. In my own province a great number of representations have been made and are still being made by municipalities to the provincial government in an effort to get a greater share of the tax dollar in order to relieve the burden which now falls upon real property. I am sure that is not exceptional; it is probably the general rule across Canada. I think the municipalities have done about as much as it is physically and financially possible for them to do in order to make their contribution to better education. It is not too much to ask that this parliament and this government, which control the lion's share of taxes of the Canadian people, make its contribution to meet that great need.

[Mr. Zaplitny.]

I could not overlook some of the comments made by the Minister of Citizenship and Immigration. His argument was very strange to us. He started off by expressing smug complacency about the situation, and then out of hand he denied that there was anything like a financial crisis in education in Canada. He then went on to set out what he termed was the government's policy. After he had finished I must confess that his interpretation of government policy on this question was not any clearer to me than was his policy on immigration, and that is certainly far from being crystal clear.

To me his argument was a curious combination of complacency and deliberate pettifogging. In discussing the resolution before the house he dragged in all sorts of irrelevancies, and then proceeded to show why this could not be done and that could not be done unless and until the government thought it should be done. There appeared to be no difficulty at all so far as the constitutional position was concerned if the government was inclined to do it, but if the government was not inclined to do it then of course he dragged in the British North America Act and all the other side arguments to prove why it should not be done.

Mr. Pickersgill: My hon. friend keeps saying "to do it". What is "it"? What is it that he says I said the government could do if it wanted?

Mr. Zaplitny: I thought that by this time the minister was aware of what we were discussing, but he still seems to be in a fog.

Mr. Pickersgill: I am in a complete fog about the hon. gentleman's point.

Mr. Zaplitny: The resolution refers to federal grants in aid to be made to the provinces for the purposes of assisting in education. The minister gave his version of why in his opinion it could not or should not be done.

Mr. Pickersgill: Should not.

Mr. Zaplitny: The minister qualifies it by saying "should not". To me it is just like putting the whole government policy in one sentence. I think it can be described as saying that it is a policy of taking the line of least assistance. If any further argument is necessary to completely reply to what the Minister of Citizenship and Immigration attempted to describe today as government policy I should like to quote only one paragraph from a speech delivered in this house

on February 24, 1937, in connection with scholarships. I quote from page 1190 of *Hansard* of that date:

> It is true, as I said a moment ago, that education under the British North America Act was specifically and exclusively reserved to the provinces; but the term "exclusively" surely does not mean that the federal arm of government cannot extend to the provinces, by way of supplemental assistance, measures which properly come within the provincial sphere. If there should be disagreement with that statement, we have the precedent of our national research council scholarships, and if we want a further precedent, we have the grants in aid in respect of technical education, pursuant to the Technical Education Act of 1919. I am not particularly concerned in what form the federal government assists in furthering this proposal, but I am interested in having substantially the desired results, and if they are to be brought about by grants in aid to the provinces, definitely earmarked for that purpose. I do not see that there will be much to object to in the method.

Mr. Pickersgill: I completely agree with the views which have just been read by the hon. gentleman. If they are specific grants for a specific purpose, I do not see any objection to them at all. It is this suggestion of a general grant without any control that I object to.

Mr. Zaplitny: I am pleased to note that the minister is now willing to recant.

Mr. Pickersgill: That was what I said in the first place.

Mr. Martin: Those words are so interesting and so well chosen that I suspect they are my own.

Mr. Zaplitny: The minister's suspicions are quite well founded because they are his words, or they were his words at the time. Of course at that time he was only the hon. member for Essex East. He is now the Minister of National Health and Welfare.

Mr. Martin: And still the member for Essex East.

Mr. Zaplitny: And still, of course, the member for Essex East. But that process of coming up into the cabinet, into that rarefied atmosphere, quite often seems to affect the thinking and opinions of members on the opposite side of the house. I am therefore not prepared to say that that is still the opinion of the hon. member for Essex East. However, it may be. Certainly that statement sets out the position quite clearly. This motion is not attempting to impose anything upon anyone. It simply indicates recognition of a need and the willingness to take some action to provide a solution to that problem.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, the hon. member for Red Deer put the case admirably for Social Credit. I crave a few moments of the time of the house to say one or two things which I believe need to be said in addition to what he said.

In the first place I believe that much must be done on behalf of those who are attempting to go to university. We are giving far too little attention to that matter. I have an idea that is one reason we are having a teacher shortage. The cost of going to university is simply so great that, except in cases where a student's parents live in a university city, they are prohibitive, or except in the case of families which are in good financial circumstances; whereas in many cases the very ones who would go to university and qualify for training come from the poorer families, as was so well shown when we started to educate the boys who served in the forces by giving them an opportunity to go to university. We saw what happened there, how many of them qualified and how well they did.

From the national federation of Canadian university students I have a communication which was sent to me after this session began. I should like to draw the attention of the house and the country to some of the facts that are set forth in division 6 of their letter:

> A survey recently conducted by the national federation of Canadian university students committee at the University of Alberta shows that the average university male student is able to earn only 51 per cent of the cost of his university year during the summer months;

As hon. members will realize, that is an extremely serious situation. The cost of going to university today is high. Everything is high. Rent is high. Food is high. Laundry is high. Clothing is high. In addition to that, the universities are charging much higher fees than they used to charge. That is true not only with regard to the general fee but with regard to the special fees attached to various courses. This statement then becomes extremely serious. It is based on a survey of the students consulted in the city of Edmonton. The statement goes on to say that female students were able to earn only 40 per cent of the cost of the university year during the holidays. What does that mean? It means that, as far as people coming from humble homes are concerned, a university course is simply unattainable.

There are a good many other statements which these people set forth in their letter to me but which I am not going to tell the house about. I believe that alone is sufficient to show that it is extremely important that we devise some way or other of assisting students to go through our universities. In his excellent talk the hon. member for Saskatoon mentioned the number of university students in Britain who receive assistance,

and even referred to the assistance given to university students in Russia, all of which reflects no credit upon us.

I think I should give just a little bit of attention to one remark which was made or implied in a question by the Minister of Citizenship and Immigration. As I recall it, he asked the hon. member for Red Deer if he thought Alberta required any assistance for her schools. The answer is undoubtedly that Alberta requires a tremendous amount of assistance for her schools. These figures to which I have just referred apply to Alberta. It is supposed generally by most people that just because the province of Alberta has been particularly successful in making money and has been blessed with a good deal of income from the sale of oil and gas leases, the province should just go on a spending spree and spend that money as fast as it gets it. I am sure any thoughtful person would not agree that that ought to be done.

Mr. Pickersgill: Should the federal government do that?

Mr. Blackmore: The federal government is in a different position because the federal government has unlimited access to the means of financing through use of the national credit. Let me repeat once more, for the benefit of the Minister of National Health and Welfare and every other minister, that there is only one government in the Dominion of Canada that has the power to monetize goods and services in this country; and that is the all-important power in respect of financing.

Certainly what the Dominion of Canada can do for its university students ought to depend directly on the goods and services which the Dominion of Canada can produce, and not on the amount of money that can be wrung from the taxpayers. The sooner the members of the house and the people in the country generally get that idea embedded in their thinking, the sooner they will be in a position to face the responsibilities which rest upon them in the matter of financing our various activities in this dominion. The Dominion of Canada has the power to monetize the goods and services produced in the Dominion of Canada; and certainly the only limit to the capacity of the Dominion of Canada to find money in that respect is the amount of goods and services we produce or can produce. The provinces have access to no such sources of revenue as that. Their revenues are distinctly limited.

I wish to say just a word along the line which I had indicated before I was interrupted by the hon. member. Anybody who looks at conditions as they are today in a realistic manner must realize that unless we have another war or unless we are scared into much more costly preparations for war than we are making right now, this country is headed straight downward into a depression. There can be no question about that whatsoever. The fact that agricultural prices are falling as they are is one of the surest indications of that fact. If a depression comes on and a tremendous burden of unemployment is caused to rest upon the provinces, where are they going to get the money with which to finance relief comparable to the relief we had to finance during the thirties? Any realistic and responsible body of provincial officials certainly must be having that matter in mind.

Would the members of this house or would the Minister of Citizenship and Immigration suggest that the Alberta government should take all the money that comes into their hands from the various sources with which they are fairly well blessed and spend it on education, and have nothing left to cushion them against the contingencies of a depression? Surely we must be realistic in this matter. I hope the Minister of Citizenship and Immigration does not ask any more irresponsible questions like that in this house. He is young. We will allow for that fact, but we expect him to mature a little bit faster than he is maturing.

There is another matter to which I should like to refer and it is this. In respect of any province, the people of the province have a way of demanding services in relation to the income which the province has available to it. Here are some of the services which provinces must give. They have to service the debt. When the Social Credit government took over in Alberta we found that we had to pay 49 cents out of every dollar of revenue for interest on our debt. That is an important matter to bear in mind. The remarks of the hon. member for Royal (Mr. Brooks) indicate how serious an item is the matter of servicing the debt for his province of New Brunswick. The cost of roads has to be taken care of, and people simply demand roads. If there is anything like a reasonably good income available to the province, the people simply insist that roads be built. Public welfare is exceedingly costly. Health is extremely costly. Agricultural improvement is also extremely costly.

Education is only one of all the various things for which the provinces require to make provision. There are such things as forest conservation and conservation generally, public works and many other matters which the provinces have to take care of. In the light of all these things I hope the Minister of Citizenship and Immigration and

all the other members of the cabinet do some good serious thinking for about three or four weeks and adopt a realistic attitude to the educational situation which faces the people of Canada.

How should the money granted provinces for aid to education be extended to the provinces? Of course there is considerable discussion concerning that matter. I agree there should be no means whereby the dominion government could even attempt to influence policy in respect of education in the provinces, but there are ways of getting around that difficulty. The Minister of Citizenship and Immigration seems to feel that just to make a grant to the provinces in a general sort of way is quite unsound. That kind of thinking is typical of Rhodes scholars. It is typical of these bureaucrats whom we have in such great numbers—

Mr. Pickersgill: On a question of privilege, I am not and never was a Rhodes scholar.

Mr. Blackmore: I have given the minister the opportunity to make a statement which has released him from a good deal of suspicion, because he certainly has acted like an Oxford graduate, a Rhodes scholar. Generally speaking, men who have graduated from some of these universities, particularly from the London school of economics, have the idea in their narrow minds that they can tell anybody on the face of the earth how to live, that they know all about it and consequently we cannot have a country like Canada soundly governed unless all power centres right here in Ottawa where you can put these graduates of the London school of economics at work doing the job.

Mr. Martin: Will my hon. friend permit an interruption?

Mr. Blackmore: Very well.

Mr. Martin: It is very kind of him to suggest that my colleague, the Minister of Citizenship and Immigration, was a Rhodes scholar. He is not a Rhodes scholar, but in fairness to him I think I should say that he enjoyed a scholarship provided by the Imperial Order of the Daughters of the Empire. I am sure my hon. friend would not want to make any disparaging remarks in view of this information.

Mr. Blackmore: My remarks were not intended to disparage the source from which a man gets the money with which he goes to university, but to disparage the attitude which men are likely to acquire in some of the universities of Great Britain. One of them is Oxford, another is Cambridge and another is the London school of economics. Generally speaking, when a man has graduated from any one of these he is a socialist in his ideas; he is a centralizer; he thinks nobody in the world knows how to govern a country except his own particular class, and that the provinces cannot possibly produce people capable of governing.

Mr. Pickersgill: On a question of privilege, I am not nor have I ever been a socialist. I am not a centralizer. I was arguing all afternoon against centralization, and the hon. member is now arguing for centralization.

Mr. Martin: I think too in fairness—

Some hon. Members: Oh, oh.

Mr. Martin: —to the hon. member for Greenwood, who is not in the house, that I should say that he is a graduate of Oxford university—

Mr. Pickersgill: And a Rhodes scholar.

Mr. Martin: And a Rhodes scholar; and no one can call the hon. member for Greenwood a socialist.

Mr. Blackmore: I will grant that there are exceptions to every rule, but once more I am glad I gave the Minister of Citizenship and Immigration the chance to clear his name of a suspicion which lurks in many places.

Mr. Ellis: You are opposed to people going to university?

Mr. Blackmore: That is just another foolish question like the hon. member for Regina City (Mr. Ellis) always asks. He seems to have his mind short-circuited. He never can ask an intelligent question on the floor of the house and has not done so since coming here. I had been discussing and urging the advisability of helping people to become university graduates. I was at the moment, however, mentioning graduates of certain universities who are trained to believe in socialist thinking. You will find it manifested in everything they undertake to do.

As to how the money is to be given to the provinces, personally I think that a grant based upon need, population and various other factors which I will not go into at the present time, is probably the best way of approaching the problem; and then the provinces should be free to spend this money in the way they see fit. Let the people of the provinces hold their governments responsible for the way in which they spend the money, just as they do with respect to the revenues that the provinces have at the present time.

So I do not hesitate to urge that the federal government take steps at the very earliest moment to provide assistance to the provinces, every one of them, on a basis which will give the less favoured provinces such

as New Brunswick, Nova Scotia, Newfoundland and the others an opportunity to give their boys and girls something like a similar chance for education to that which the boys and girls of other provinces enjoy. I urge upon the government that they take that step, and I urge that we do not have to have another debate on this question of assistance to education but that something be done about it soon.

(Translation):

Mr. Maurice Breton (Joliette-L'Assomption-Montcalm): Mr. Speaker, I would like to say a few words on the constitutional aspect of the resolution moved by the hon. member for Saskatoon (Mr. Knight). I shall readily show that although the resolution now before the house seems to overcome the obstacle of provincial autonomy, it does not do so at all, and that we must oppose the resolution to safeguard provincial rights in matters of education.

Last year, during debates on constitutional matters, I held that the federal government and the provincial governments should stick to their constitutional rights. I added that although some of my compatriots in the province of Quebec had taken a different position on this problem, I deemed it my duty, as a member of parliament, to defend the rights of the federal government when they were attacked; I now feel I must defend provincial rights when they are attacked.

I am of the opinion that the province of Quebec has shown in the past, and will continue to show, that it is willing to co-operate with the federal government in solving many problems. As regards the tax problem, so much discussed in our province and in all others in the past few months, I feel that Quebec is like any other province, but that it is altogether different from an educational point of view. And this point of view must be respected.

Mr. Speaker, section 91 of the British North America Act reads as follows:

> It shall be lawful for the Queen, by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order and good government of Canada, in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces.

In other words, it will be possible for the federal government to legislate in the above mentioned fields which are not specifically reserved.

Section 93, on the other hand, reads as follows:

> . . . the legislature may exclusively make laws in relation to education, subject and according to the following provisions.

As drafted, this resolution would have us understand that in calling upon the federal government to make unconditional grants for educational purposes, it would not cause it to infringe upon provincial rights in this field. But this is counter to section 92 of the British North America Act, which states:

> In each province the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated, that is to say,—

Please note the expression "may exclusively make laws". Then, in paragraph 2:

> Direct taxation within the province in order to the raising of a revenue for provincial purposes.

Therefore, if the federal government were to use its revenue and redistribute part of it to the provinces, under the pretence of assistance to education, it is my opinion that the moneys thus raised within the provinces would be collected against the rights of the provinces to raise by themselves the revenue required for provincial purposes. The federal government would therefore infringe directly upon provincial rights. Consequently, the province of Quebec has the right to cling to this prerogative, for the reason which in fact directed the preparation of the Canadian constitution in the form of a federation is precisely the point of view of education. Other provinces also insist that their rights in the field of education be respected, as has been seen recently in this house, in debates dealing with the problem of minorities.

True it is that the problem of minorities is not one to be dealt with by the constitution but by principles which are the foundation of democracy, principles which need not be expressed in a bill of rights, because they are respected quite naturally by those who believe in liberty, in equality and in everything that makes a democratic constitution today.

But that, Mr. Speaker, is not quite the point that was brought up today. I realize that a motion of a general character has been used to try to get around the constitution which guards the infrangible rights of the province of Quebec. If constitutional amendments were moved in other fields—and I believe there are many fields where the constitution of 1867 should be changed for it is out of date—the province of Quebec would readily endorse such changes.

Amendments are needed in the fiscal field as well as in the highway and the public health fields. We find a juxtaposition of new problems which have come up since the last two wars and which conflict with our rigid constitution; these problems call for amendments which could be supported by the prov-

ince of Quebec. But, in the matter of education, I know that the province of Quebec will always be opposed to it.

When I heard the honourable representative of the Conservative party say that a dominion-provincial conference should be called in order to study the problem of educational grants, I thought it would be useless to hold such a conference, because the province of Quebec will always be formally opposed to such an idea.

Though we are willing to co-operate with every political party in view of Canadian unity, especially in the taxation field, we do not, where education is concerned, want to witness the disappearance of our own particular ways, nor do we want to see them attacked. And if the provinces were subsidized with regard to elementary and higher education, there would naturally be some conditions attached to the grants, so that there should be no more obstacles to a uniform standard of education.

This is precisely the reason why, at the time the Canadian constitution was drafted, the province of Quebec asked that a federal system be provided in preference to a unitary system.

That is all I wanted to say in opposition to those who are inclined to think that the constitution can be circumvented by more or less elastic means and that it is possible to tamper with the inviolability of provincial rights in the field of education. Those who represent the province of Quebec and who believe that a Canadian confederation is a necessity must safeguard our special way of life, so that we may develop in variety and diversity.

(Text):

Mr. Knight: Is there still time for me to close the debate, Mr. Speaker, and suggest that we might have a vote at this time?

Mr. Habel: I had in mind taking part in this debate, Mr. Speaker, but since it is six o'clock I move the adjournment of the debate.

On motion of Mr. Habel the debate was adjourned.

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

HOUSE OF COMMONS

Thursday, February 10, 1955

The house met at 2.30 p.m.

HOUSE OF COMMONS

WELCOME TO PRIME MINISTER AND SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Hon. W. Earl Rowe (Acting Leader of the Opposition): Mr. Speaker, I know I speak on behalf of the official opposition and also, I am sure, on behalf of everyone else at this time when I welcome the Prime Minister (Mr. St. Laurent) and the Secretary of State for External Affairs (Mr. Pearson) on their safe return from their short visit overseas. I hope that today or some time in the near future the Prime Minister will give the house a statement as to the success of that important trip.

QUESTIONS

RYE AND FLAX PRODUCTION

Mr. McCullough (Moose Mountain):

1. What has been the annual production of rye, by provinces, since 1940?
2. What has been the annual production of flax, by provinces, since 1940?
3. What has been the high and low price of rye and flax for each year since 1940?

Mr. Dickey:

Production of rye

1. Year	Canada	Quebec	Ontario	Manitoba	Sask.	Alberta	British Columbia
			Thousands of bushels				
1940	13,994	103	1,557	2,250	7,000	3,000	84
1941	11,703	231	1,382	2,818	5,311	1,860	101
1942	24,742	196	1,501	3,600	15,000	4,400	45
1943	7,143	188	1,056	836	3,800	1,234	29
1944	8,526	151	1,242	612	4,800	1,697	24
1945	5,888	139	1,249	379	2,620	1,477	24
1946	8,811	126	1,378	346	4,005	2,927	29
1947	13,217	124	1,444	600	6,780	4,250	19
1948	25,340	220	2,751	1,950	10,500	9,900	19
1949	10,011	221	2,226	750	4,400	2,400	14
1950	13,333	261	1,856	1,300	6,200	3,700	16
1951	17,647	102	1,505	835	9,800	5,345	60
1952	24,833	72	1,494	1,200	14,200	7,800	67
1953	28,775	55	1,710	2,750	14,400	9,700	160
1954	14,172	39	1,854	1,479	6,700	4,000	100

Production of flaxseed

2. Year	Canada	Ontario	Manitoba	Sask.	Alberta	British Columbia
		Thousands of bushels				
1940	3,049	170	800	1,650	425	4
1941	5,788	113	1,145	3,718	778	34
1942	14,992	262	2,000	10,500	2,200	30
1943	17,911	235	2,800	11,500	3,300	76
1944	9,668	238	1,762	6,400	1,243	25
1945	7,593	230	2,800	3,800	738	25
1946	6,403	169	2,979	2,594	635	26
1947	12,260	674	5,200	4,200	2,150	36
1948	17,721	829	9,040	4,740	3,050	62
1949	2,284	196	1,100	650	300	38
1950	4,686	365	2,900	1,000	400	21
1951	9,897	960	5,000	2,300	1,570	67
1952	12,261	871	4,800	4,300	2,200	90
1953	9,912	537	3,800	3,500	2,000	75
1954	11,238	188	4,000	4,800	2,150	100

Questions

3. Annual high and low prices No. 1 C.W. flaxseed and No. 2 C.W. rye according to closing quotations on the Winnipeg grain exchange except where otherwise indicated:

(Prices basis in store Fort William-Port Arthur.)

Year	No. 1 C.W. flax		No. 2 C.W. rye	
	High	Low	High	Low
	$ per bushel			
1940	2.37½	1.16½	.78⅛	.39⅛
1941	1.87¾	1.37¾	.66⅝	.45¾
1942	2.25(a)	1.56¼	.66⅛	.51⅞
1943	2.50(a)	2.25(a)	1.22⅞	.64¼
1944	2.75(a)	2.50(a)	1.34⅝	.89⅜
1945	2.75(a)	2.75(a)	1.99	1.13⅝
1946	3.25(a)	2.75(a)	3.15	1.89½
1947	5.50(a, b)	3.25(a)	4.12⅞	2.42¼
1948	5.50(a, b)	4.00(a)	4.83	1.39¼
1949	4.00(a)	3.40⅛	1.58⅝	1.03¼
1950	4.17⅝	3.52	1.75⅞	1.35⅝
1951	5.71	4.01¾	2.41¾	1.68⅜
1952	4.98½	3.26⅜	2.11¾	1.68¼
1953	3.27½	2.57	1.68¾	.97⅜
1954	3.24⅝	2.53⅛	1.47½	.85

(a) Guaranteed price to producers.

(b) Includes retroactive payment of 50 cents per bushel on 1947-48 crop-year marketings as authorized February 26, 1948.

TAXATION PROPOSALS—PROVINCIAL CONSULTATION

Mr. Coldwell:

1. Were any provincial governments or provincial premiers consulted prior to the announcement regarding the new taxation proposals for the province of Quebec?

2. If so, what governments and what premiers were consulted?

Mr. St. Laurent:

1. No.

2. Answered by No. 1.

MARGARINE

Mr. Pommer:

1. How many pounds of margarine were produced in Canada during the calendar year 1954?

2. What quantities of raw materials used in the manufacture of margarine were imported, during the same period, such as (a) oils; (b) seeds; (c) other materials?

3. How many pounds of margarine were in storage on the 31st of December last?

Mr. Dickey:

1. Production of margarine during the calendar year 1954 was 115,868,000 pounds.

2. (a), (b), and (c). The kinds and quantities of oils and fats used in the manufacture of margarine in Canada during the calendar year 1954 are shown below. While no breakdown for "domestic" and "imported" is available, it is apparent that all of the coconut, cottonseed and palm oil is imported, whether as oil or as seeds which are crushed in Canada.

Consumption of Oils and Fats in Margarine
Calendar Year 1954

Vegetable oils	Pounds
Coconut	10,303,000
Cottonseed	19,881,000
Palm (1)	14,311,000
Soybean	33,827,000
Sunflowerseed	(2)
Other	16,000
Total	78,338,000
Marine and fish oils	15,783,000
Animal oils	30,000
Grand total	94,151,000

(1) Includes palm kernel.

(2) Included with other vegetable oils.

3. Stocks of margarine held by manufacturers, wholesalers and other warehouses on January 1, 1955, totalled 3,337,000 pounds.

QUESTION PASSED AS ORDER FOR RETURN

COLOMBO PLAN

Mr. White (Middlesex East):

1. How much was contributed to and for the Colombo plan by Canada in each of the years 1953 and 1954?

2. Of such amounts how much was (a) expended in Canada; (b) outside of Canada, for (i) administration costs; (ii) salaries of technical experts; (iii) scientific and technical apparatus; (iv) agriculture machinery; (v) other kinds of machinery?

3. How many technical and scientific persons were employed in each of the years 1953 and 1954, and what were total (a) salaries; (b) expenses or other allowances paid to such persons?

EXTERNAL AFFAIRS

REFERENCE TO PRESS REPORT OF MEETING SUGGESTED BY SOVIET SUPREME COUNCIL

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Prime Minister in connection with the novel and challenging suggestion made yesterday by the Soviet supreme council to the effect that in the interests of peace, members of representative institutions both inside and outside of the iron curtain might with value meet in order to discuss problems of peace. Does the Prime Minister consider that the suggestion is one of merit and worthy of consideration

and acceptance in order to indicate the attitude of Canada generally toward doing anything that will bring about better relationships?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, all hon. members know that it would be both their desire and the desire of the members of the government to do anything and everything that would bring about better relations. The suggestion that has been reported will no doubt come to us in some more official manner than merely this report in the newspapers, and it will certainly be given careful consideration. I think the situation is such that we should all do our best to take advantage of any suggestion that might bring about an easing of the tension in the world.

LABOUR CONDITIONS

EMPLOYMENT ON ST. LAWRENCE SEAWAY

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, may I be permitted to direct a question to the Minister of Labour? Will the minister inform the house as to what methods the government is using to secure personnel for employment on the St. Lawrence seaway? Second, has the minister's attention been drawn to the fact that a private organization, with headquarters in Cornwall, Ontario, is sending out circulars asking the unemployed to make application for employment on the seaway and to send $1 back to them with the application?

Hon. Milton F. Gregg (Minister of Labour): I am grateful to my friend the hon. member for Cape Breton South for giving me notice of his question, and I am glad to have an opportunity to reply to it.

The officials of the unemployment insurance commission have reported to me information regarding two private organizations such as that to which my hon. friend has referred. One of them goes under the name of "Seaway Opportunities" which asks for a fee of $1 to accompany the application for a job, and that I know is the one to which my hon. friend refers. The second one goes under the name of "International Recruiting Agency" which asks for a fee of $3. Both of these organizations give Cornwall post office addresses.

I have answered the last part of my hon. friend's question first. As to the first part of his question, concerning the method the government is using in helping to secure personnel for employment on the projects associated with both Ontario hydro and the federal seaway on the St. Lawrence, may I say that ever since the beginning our labour and national employment service officials have participated in the planning with regard to all matters related to future employment on both these projects. I believe that good methods have been worked out both as as they apply to the recruitment of workers within Canada and also to simplifying the movement of workers to and fro across the international border to ensure the maximum employment for Canadians and to best serve the changing needs of these great developments.

The St. Lawrence seaway authority in a press release yesterday stated that no outside organization had been authorized to indicate that they were acting as an agent for the seaway, and I have been assured by Mr. Chevrier that at one of its recent meetings the authority had approved the recommendation that the national employment service undertake recruiting for the seaway project. The local offices of the national employment service have been asked to advise all applicants in their areas who apply for positions on the seaway to register at their local office, and not to leave for a project until they are sure that work is available. These registrations will be passed on to a control office in the seaway area, and as contractors require workers applicants who meet the requirements of a particular job will be so advised and will then proceed to the project. Preference will be given to local residents if they are otherwise qualified.

At the present time, with the co-operation of the Ontario hydro commission, a refresher course is being conducted at Cornwall to bring national employment officers up to date on the requirements of the heavy construction industry. This program of training will be extended as the need for workers and the field for recruitment grows.

A moment ago I referred to the co-operation provided by Mr. Chevrier and the seaway authority. Here I should like to pay warm tribute to the valuable co-operation given to my officials and myself by the late Bob Saunders in planning this employment program, and for the continuing help of the Ontario hydro officials.

Through the courtesy of the Post Office Department, the national employment service is arranging to have posted in post offices throughout the country notices advising job seekers to check with their local employment office before proceeding to points where projects are contemplated.

The unemployment insurance commission will release to the press, trade journals and

other publications, information covering the arrangements they have made to serve the needs of the seaway and power projects. The commission will continue to urge workers to see their local offices before they leave their home areas for any project, in order that they may be assured that work is available when they arrive there. I should like to underline the fact that the facilities of the national employment service are available to both workers and employers at no charge to them. It is, of course, the policy of the national employment service to give equal attention to the applications of workers whether or not they are covered by unemployment insurance.

Now, Mr. Speaker, in addition to press releases and other publicity on this matter during recent weeks, our national employment service has sent very specific instructions through the five regional offices to all the approximately 200 local offices across the country. If I may, since it is not too long, I should like to quote the exact words of that directive dated January 20 last, entitled "Recruitment for St. Lawrence Seaway and Hydro Project". It is signed by the director of employment services in Ottawa. This is the text:

> Arrangements have been completed for us to do the recruiting for the above-mentioned projects. Details of procedure, etc., have not yet been completed but they will be sent out to the field in due course.
>
> It is intended that we will have a central control office at Cornwall where the needs of the employers will be registered and requests will be made to our local offices for help as the occasion arises.
>
> In so far as the hydro project is concerned, they are committed to the hiring of Ontario residents and particularly local residents in the area of the project, if these workers are suitable.
>
> The seaway authorities tell us that they will give preference to local residents if they are suitable.
>
> In order to be sure that the towns and cities where the projects are located are not swamped with people coming to look for a job, we have agreed to do everything possible to stop this.
>
> Will you please, therefore, advise all offices in your region to post notices to the effect that residents are warned not to proceed to the seaway or hydro projects on the St. Lawrence without first being advised by our local offices. Any local publicity that can be given in this regard in the meantime would be beneficial.
>
> Applications at our local offices should be carefully taken on a 701, obtaining all the information possible regarding the applicant, and these 701's should be kept readily available in the local office and the applicant advised not to proceed to the area until told to do so.
>
> We hope to get out early next week a national news release outlining this arrangement. In the meantime, it is important that our offices at least be advised of what is being considered.

That is the end of the directive. I have taken the time of the house to answer this question fully because I know all members of the house are as anxious as the hon. member for Cape Breton South or the Minister of Labour about this matter. I express the hope that the answer I have made be given wide publicity so that unemployed people in any part of the country might not be misled on the one hand or miss any real opportunity for employment on the other.

[Mr. Gregg.]

POSTAL SERVICE

SEVEN ISLANDS—REQUEST FOR IMPROVEMENT

On the orders of the day:

Mr. Lomer Brisson (Saguenay): I should like to direct a question to the Postmaster General, of which I have given notice, or in his absence to his parliamentary assistant. Has the Postmaster General received a brief from the Seven Islands chamber of commerce requesting improvement in both the summer and winter mail services to Seven Islands and that part of Saguenay between Baie Comeau and Blanc Sablon? If so, what measures will be taken to remedy the situation?

Mr. T. A. M. Kirk (Parliamentary Assistant to the Postmaster General): May I thank the hon. member for giving notice of his question. The answer is yes; a brief has been received, and the matter of conveying all classes of mail to these points will be reviewed at the conclusion of the winter season, as this service is performed under contract at the present time.

POULTRY

ALLEGED DUMPING OF UNITED STATES PRODUCTS

On the orders of the day:

Mr. G. K. Fraser (Peterborough): Will the Minister of Agriculture say whether the Department of Agriculture has given any consideration to the dumping of United States fowl and poultry meat on the Canadian markets? I understand one firm alone received a single order of over 100,000 pounds, because of the fact that feed and brooder costs are higher in Canada.

Right Hon. J. G. Gardiner (Minister of Agriculture): I am not sure whether my hon. friend intends me to consider the term "dumping" as it is related to customs duties in general or if he simply means that—

Mr. Fraser (Peterborough): It is coming in.

Mr. Gardiner: —it is coming in. I assume it is. I have had complaints from time to time that certain of our poultry products are being sent to the United States to be treated under a system they have over there, and then returned here. We have been asked to take action in regard to that, but I have

not heard of any undue shipping of turkey or anything like that into Canada that does not come within the law.

Mr. Fraser (Peterborough): I understand there have been only about 8,000 pounds shipped to the United States but they have shipped over 360,000 pounds here.

VETERANS AFFAIRS

REQUEST FOR STATEMENT ON CHANGE IN TREATMENT REGULATIONS

On the orders of the day:

Mr. Angus MacInnis (Vancouver-Kingsway): In the absence of the Minister of Veterans Affairs, I should like to direct a question to his parliamentary assistant which he can take as notice. Telegrams received from veterans' organizations in British Columbia indicate they are concerned about amendments to the veterans' treatment regulations made by order in council 1955/102, passed on January 20. Would the minister make a statement that would indicate what change has been made from the previous order regarding the burial of persons who die while receiving treatment?

Mr. C. E. Bennett (Parliamentary Assistant to the Minister of Veterans Affairs): As the hon. member has suggested, I shall take his question as notice.

NATIONAL DEFENCE

CIVILIAN USE OF LONG BRANCH RIFLE RANGE

On the orders of the day:

Miss Margaret Aitken (York-Humber): Mr. Speaker, I should like to ask a question of the Minister of National Defence. In view of the fact that the metro chairman in Toronto has received no official answer to his letter regarding the availability of the Long Branch rifle range for metropolitan purposes, would the minister say what is the decision of his department in this matter?

Hon. R. O. Campney (Minister of National Defence): I wish to thank the hon. member for having given me notice of her question. When I made the statement in the house last week concerning the Long Branch rifle range I indicated that until we could find a suitable location to which we could transfer our activities we could not relinquish Long Branch. I also said that we are now considering the possibility of removal to Camp Borden. When we have canvassed that possibility, which we are doing actively now, and have come to a decision, it would be some months at least before suitable accommodation could be provided at Camp Borden if we should decide to go there. Meantime I have not been able to give a decision, and that is why the gentleman to whom the hon. member referred has not received it. And that is also why I cannot give a decision today.

FISHERIES

ESTABLISHMENT OF FISH MEAL PLANT—APPLICATION BY GERMAN COMPANY

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I should like to ask a question of the Minister of Fisheries (Mr. Sinclair) or, in his absence, his parliamentary assistant. Can the parliamentary assistant inform the house if it is a fact that the application of a German firm for a permit to operate a fish meal plant and affiliated industries at Louisburg, Nova Scotia, was refused by the Department of Fisheries? If so, what was the reason?

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): The Minister of Fisheries had intended to answer this question today, but unfortunately he cannot be here at this time. He will give the hon. member an answer tomorrow.

GRAIN

PAYMENT OF TAX WHEN SELLING TO ELEVATORS

On the orders of the day:

Mr. William Bryce (Selkirk): Mr. Speaker, I should like to ask a question of the Minister of Agriculture. Will he tell the house if farmers growing grain for sale outside the P.F.A.A. districts are paying the 1 per cent tax when selling their grain to an elevator?

Right Hon. J. G. Gardiner (Minister of Agriculture): I wish to thank the hon. member for having given notice of his question. I find it a little ambiguous but, having said that, I shall answer it. I was advised about 33 years ago when I first went into a government never to give a legal opinion, but to advise the inquirer to consult a lawyer. Probably that would be a good thing to do on this occasion. However, I shall answer it as best I can.

The question is whether the minister will tell the house if farmers growing grain for sale outside the P.F.A.A. districts do certain things. Well, the ambiguous part of it is that I am not so sure whether it is the farmer who grows the grain outside the district, or the farmer growing it inside the district and selling it outside; both interpretations could be placed upon it.

Then the question continues by asking whether they are paying the 1 per cent

tax when selling their grain to an elevator. I think it would be best if I were to read the section of the act which says:

"Spring wheat area" means the provinces of Manitoba, Saskatchewan, Alberta and the Peace river district of British Columbia.

That is the area covered by the act. Then the section which deals with the collection of the 1 per cent is section 11, which goes on to say that the elevators taking delivery of wheat—and I presume within the spring wheat area—must collect 1 per cent on the grain they take in.

Mr. Bryce: Then they are paying for a service they do not get.

GRAIN COMMISSION—WHEAT BOARD—REFERENCE OF REPORTS TO STANDING COMMITTEE

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to ask a question of the Minister of Trade and Commerce, as to when members may expect to receive the annual reports of the board of grain commissioners and of the Canadian wheat board, and whether these reports will be referred to the standing committee on agriculture.

Right Hon. C. D. Howe (Minister of Trade and Commerce): The annual report of the board of grain commissioners is now in the hands of the queen's printer and will be distributed as soon as it is received from the printer. The report of the wheat board is also in the hands of a printer and will be tabled when it is received. I anticipate that the usual practice will be followed of referring these reports to the committee on agriculture.

ATOMIC ENERGY

REPORTED STATEMENT RESPECTING FUTURE PURCHASES OF URANIUM

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Minister of Trade and Commerce if he is now in a position to answer the question I asked on February 4, reported at page 848 of *Hansard*, as to whether Mr. W. J. Bennett, president of Atomic Energy of Canada Limited, was stating government policy in his speech in Toronto concerning the future purchases of uranium by the government.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have now read the statement Mr. Bennett made, and it is government policy. In fact it is exactly as stated in the annual report of the Eldorado company tabled in the house a few days ago.

[Mr. Gardiner.]

Mr. Fleming: May I ask, if it is government policy, why it was not enunciated by the minister rather than by an official.

Mr. Howe (Port Arthur): It is the policy of the Eldorado company, approved by the government. The report of the Eldorado company contains the statement of its policy, and it was tabled in the house before the speech was made in Toronto. If my hon. friend does not read those documents, I cannot help it.

Mr. Fleming: May I ask the minister if he will answer my question as to why, if this was a statement of government policy, it was not made by the minister and not by an official.

Mr. Howe (Port Arthur): The purchase of uranium is the function of the Eldorado company, and the minister saw no purpose in interfering with the statement of company policy coming from the authority which actually does the purchasing.

NATIONAL DEFENCE

REPORTED DESIGNING OF FLAG BY DEFENCE RESEARCH BOARD

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): I should like to ask the Minister of National Defence whether the defence research board is designing its own flag and, if so, for what purpose.

Hon. R. O. Campney (Minister of National Defence): Not to my knowledge.

BRITISH COMMONWEALTH

CONFERENCE OF PRIME MINISTERS—TABLING OF COMMUNIQUES

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the Acting Leader of the Opposition (Mr. Rowe) has suggested that I might wish to make a statement in reference to the commonwealth conference, and I have said that I shall do so on Monday. In the meantime communiques evidently have been published by the newspapers, and perhaps it would be convenient to have them available as a matter of record. If I may revert to the order for motions so I might table them at this time, I would be glad to do so.

Mr. Rowe: Would they be printed in today's *Hansard?*

Mr. St. Laurent: If it is desired that they should be, I think it would be wise to have them printed so they could be a matter of

record, and we would not have to look them up in the files of newspapers.

Mr. Speaker: Is it agreed to have these documents printed in *Hansard* or in *Votes and Proceedings?*

Some hon. Members: *Hansard.*

Mr. Speaker: Then it is agreed that they will be printed in *Hansard.*

(For text of communiques above referred to, see appendix A and appendix B, pages 1062-4.)

Mr. Rowe: I should like to ask the Prime Minister if, in view of the fact that he is making his statement on Monday, he will allow us an opportunity to discuss the statement at a later date, dealing with foreign and external affairs in general?

Mr. St. Laurent: There will certainly be an opportunity for further discussion on external affairs; and if at that time hon. gentlemen wish to raise any questions with respect to the commonwealth conference I think certainly it would not be our desire to prevent its being done. I hope it can be arranged, in conformity with the rules of the house.

INTERNATIONAL RIVERS

PROVISION REQUIRING LICENCE FROM GOVERNMENT OF CANADA TO CONSTRUCT, OPERATE AND MAINTAIN ANY IMPROVEMENT

The house resumed, from Tuesday, February 8, consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 3, respecting the construction, operation and maintenance of international river improvements.

Mr. J. A. Byrne (Kootenay East): The chief opposition to this bill respecting the construction, operation and maintenance of international river improvements seems to revolve around a specific project, the Kaiser dam. In the words of the spokesman of the Social Credit party, their opposition has a political basis, together with the assertion that it is an infringement on the rights of the provinces. The hon. member for Okanagan-Revelstoke (Mr. McLeod) said, as reported at page 886 of *Hansard:*

> I am going to refer to the political aspects of the bill. My great opposition to the bill is that I believe it is nothing more or less than a political instrument used by the government of Canada to thwart the province of British Columbia in a development which the people have a right to expect.

Any act passed in this house, Mr. Speaker, naturally is a political act. I cannot see how it can be otherwise. It is an act of parliament and cannot be divorced from the question of politics. It seems to me that the art of government can be defined as political.

The Social Credit party seems to be very sensitive when it comes to the question of political criticism. If any criticism is directed toward that party they immediately imply that it is a smear, or mud-slinging, and so on. It seems they can even change toothpaste into mud and imply that it has been thrown at some politician or other. I simply refer to the hon. member for Okanagan-Revelstoke and his statement at page 886. He took exception to the fact that the Minister of Fisheries (Mr. Sinclair) mentioned the bright smile of the premier of British Columbia. I cannot see that there was any smearing done there. I warn the hon. member, who seems to feel injured and is jealous of the shiny, bright smile of the premier of British Columbia, that bright and shiny teeth are no facade for a virtuous personality. I need only refer him to the fable of Little Red Riding Hood.

It seems that the Conservative party, or at least the hon. member for Vancouver-Quadra (Mr. Green), has in some way or other also developed the smear psychosis of the Social Credit party. In his inconsistent statement respecting this matter the hon. member said, on the one hand, that it was a political club to be used by the federal government to beat the provincial government of British Columbia, and on the other hand that he believed both parties were well-meaning and that their intentions were sincere. He cannot have it both ways. Therefore I think we can just disregard the official opposition and simply say that so far they are on the fence and are not taking any particular position at this time.

In his speech on Friday, which he concluded on Tuesday, the hon. member for Okanagan-Revelstoke spoke, I presume, on behalf of the Social Credit party. I am concerned, as a matter of fact, over the hon. member's appalling ignorance of the facts respecting the Columbia river basin and the geography of British Columbia in general. For him to have drawn the conclusion that this is a political bill introduced for the purpose of injuring another party, when he has so little knowledge of the facts, is just beyond my comprehension.

It would be well to review some of the facts with respect to international treaties. I refer specifically to the treaty that was signed in 1909 between Canada and the United States. It was a treaty between His Majesty and the United States of America, signed on January 11, 1909. Under article 9 of that treaty the international joint commission was

given specific authority to deal with major questions arising in boundary disputes between the two great countries. Subsequently, in June, 1944, I believe, the matter of the development of the Columbia basin was referred to this commission. In a statement to the house at that time the late Right. Hon. Mackenzie King had this to say with respect to the reference as reported in *Hansard* of March 9, 1944, at page 1292:

As questions concerning the Columbia river basin are of great interest to the province of British Columbia, the government of that province has been consulted at all stages in the drafting of this reference.

Of course, such reference was to determine the best method of employing the water resources of the Columbia basin. There has been close co-operation between the federal authorities and the provincial governments in all phases of the investigation, at least up to the present moment. One of the first projects on which there was sufficient information available to proceed with was the Libby dam in Montana. While the investigation was not completed, the international joint commission was prepared to recommend the construction of the Libby dam which would build up one million kilowatts of on-site power with about 6 million kilowatts of energy in the combined on-site and downstream benefits. There was no decision, however, as to the benefits which would be paid to Canada in compensation for flooding north of the boundary in the area known as the Newgate district. About 42 miles of Canadian soil would be flooded and a considerable dislocation of residents would ensue. The United States section of the joint commission agreed only to $7 million in compensation, without any power in return. That is, there was to be no block of power which the Canadian section of the international joint commission felt should be returnable to Canada in perpetuity.

All the information available was given to the provincial authorities, but no decision was arrived at. Of course that recommendation had to be turned down as improper compensation for the use of our resources and storage space. As a result of the investigation by the Canadian section of the international joint commission they became convinced that Canada should be paid on a 50-50 basis for all downstream benefits from water stored in Canada. As was pointed out by the Minister of Trade and Commerce when he opened this debate, that 50-50 basis is considered fair in that there must be flow as well as head, Canada providing the flow. I believe he is perfectly correct. The international joint commission's recommendation, we suggest, could be followed advisedly by all Canadian authorities.

Mr. Hahn: Would the hon. member permit a question?

Mr. Byrne: I think it will take me 40 minutes to put the record straight, so to speak. If the house is then prepared to give unanimous consent I will answer any and all questions the hon. member may have.

Mr. Hahn: I just wanted to know, in the discussion of the agreement as to the Libby dam, how much Canada requested in return for that storage?

Mr. Byrne: I am coming to that. If the hon. member will just be patient he will find that most of his questions will be answered. I am coming to the geographical questions that have arisen in the course of this debate. I have said that it has become a principle that we should expect a 50-50 return from all downstream benefits from water stored in Canada. I said earlier that the international joint commission have had absolute co-operation from the provincial authorities on all these matters up to the present time. The provincial government was not prepared to recommend the Libby dam project under the terms proposed, and the application was withdrawn.

I believe that the United States section of the international joint commission, or at least the United States authorities, still are not prepared to go along with our ideas on this matter and are inclined to the opinion that no matter how much water we store, at some time or other it must be released for power purposes, thereby giving them downstream benefits in any case and without compensation.

A full investigation of the Columbia basin has shown that it is a feasible and financial possibility, and indeed a good business proposition to divert the excess flow of the Columbia river to the Fraser river by a tunnel about 15 miles in length.

Mr. McLeod: You need more water down there.

Mr. Byrne: The hon. member's interjection indicates that he is just as confused as the hon. member for Vancouver-Quadra (Mr. Green) in this respect. This would be flood water held under control and released only when the river was at its minimum flow. It would cause no damage whatsoever in the lower Fraser by way of flooding. It has been ascertained by the Department of Fisheries and the international commission on fisheries, or whatever it is called, that there would be no damage to the fishing industry, that as a matter of fact it would be helpful to the industry.

The Arrow lakes storage would provide a return to Canada of about 42,000 kilowatts

of power, with a value of $840,000. Of course there would be other compensating factors in the way of taxes and so on. It has been ascertained that the diversion to the Fraser river would provide between two and three million kilowatts of on-site power and downstream benefits, which at the rate of $20 per kilowatt would total some $50 million as an annual return.

This is not to say that at some time or other, in years of excessive run-off, there may not be sufficient water to fill the storage at Mica creek as well as the storage in the Arrow lakes. Engineering studies have shown that it would be doubtful that there would be sufficient water for both these storage areas. If the lower one on the Arrow lakes is built first it would naturally have priority and would endanger the economics of the Mica creek project. What is even more important, it seems to me, is that the Mica creek diversion to the Fraser has become of great interest to electrical companies in Canada. The very fact that United States interests realize that we may use this surplus water in Canada gives them a different outlook when we are negotiating for downstream benefits.

Only yesterday I received a copy of the agreement between the Kaiser Aluminum company and the government of British Columbia. I cannot say that it is absolutely wrong that such an agreement should be drawn. I am not making that assertion. But certainly any 80-20 split is not what has been anticipated by those studying the project, and therefore in that regard alone it does not seem to be a satisfactory agreement even for 3 million acre feet under storage.

In searching through the agreement I am unable to find any reference whatsoever to any firm commitment between the Bonneville Power Corporation, which is the wholesaler of the power, and the Kaiser Aluminum company which has made an agreement with the province of British Columbia. That may be an oversight. I am not a lawyer, but I have drawn up an occasional agreement, and if I were responsible for drawing up a wage agreement I would certainly want it set out fairly clearly who was going to pay the wages or who has the responsibility of seeing to it that this block of power be retained in perpetuity? A company might well go bankrupt, and it seems to me that the word or seal of the United States government or one of its corporations would be essential to such an agreement.

The entire undertaking seems to undermine the far greater interests of the people in the Columbia basin. I have already pointed out that the hon. member for Okanagan-Revelstoke was not too clear in his understanding of the topography of British Columbia. The hon. member made special reference to the application of the West Kootenay Power and Light Company, I believe in 1938, to the international joint commission for permission to store six feet of water in Kootenay lake. Perhaps I should quote the hon. member's own words, but before doing so I would remind him I endeavoured to question him and put the record straight so this would not appear in *Hansard*. However, here it is as reported at page 978 of *Hansard* for February 8:

> In this case "downstream", of course, is in Idaho in the United States of America.

I happen to live in the area where the Kootenay river leaves Canada, flows into Montana, through Idaho, back into Canada, and into Kootenay lake, where it is stored, and where the West Kootenay Power company have framed a great amount of power. The water flows into the lower Kootenay, where it is gathered in a series of dams, one providing power for the city of Nelson and I believe owned by that city, and the others being utilized by the West Kootenay Power company. Oddly enough, this water flows into the Kootenay river just about the spot where the Kaiser Aluminum corporation proposes to build a dam on the Columbia. From there it flows into the United States through Washington and of course into Bonneville project, the Grand Coulee dam.

The hon. member stated that this was comparable to the Kaiser deal. But this application to which I have referred was made by the West Kootenay Power company during the days of the depression, when there was an abundance of power in the United States. At that time there was no thought of downstream benefits. Perhaps I should add, without reflecting on the earlier chairman, that we did not then have General McNaughton representing Canadian interests on the international joint commission.

However, during those depression years there was no demand for storage in Canada and, as a matter of fact, the West Kootenay Power and Light Company were required to pay damages to people living in the Bonners Ferry area in Idaho because the development slightly increased the danger of flooding in that district. In addition, it was not for the purpose of providing a head of water in the United States but to provide extra power for the city of Nelson and the West Kootenay Power and Light Company, a Canadian corporation paying Canadian taxes and developing Canadian industry.

The hon. member also referred to the Skagit development. I am not too familiar with that development because it is farther along and several mountain ranges intervene. However, in the Skagit development the dam was being built in the United States along lines similar to the Libby dam project. The Seattle Power Corporation, or whichever United States company was implicated, was sufficiently provident to come on the Canadian side and buy up all the property that would be flooded. There was no crown land involved and no individual objection. The water was framed up for this corporation but it had little land value, and as I understand it there was no possible storage in Canada.

To say therefore that these developments are comparable is to demonstrate that the hon. member has no appreciation of the existing facts. I find it difficult to understand how he could have arrived at the conclusion that this was a measure to be used for political advantage.

It has also been claimed that this is an infringement on provincial rights. But I would like to know since when the present provincial government became so touchy about provincial rights. I have in my hand a brief prepared by Mr. Carl Goldenberg, Q.C., special counsel, and entitled "A Brief Submitted to the Government of Canada by the Government of British Columbia on Federal-Provincial Co-operation in Economic Development." It is signed by Hon. W. A. C. Bennett, Hon. Einar M. Gunderson, and Hon. R. Bonner, and throughout that brief they request financial assistance and co-operation between the federal and provincial governments. They plead for economic growth and development; they want assistance for highways, which is a provincial matter; they want assistance in the conservation of forest resources, and they want assistance in the conservation of water, which apparently up to now is entirely a provincial matter.

I am not going to quote at length from this brief but I have underlined numerous instances in which they ask for general co-operation between the federal and provincial governments on a political and financial basis.

Mr. Hahn: On a fair share basis.

Mr. Low: What do you mean by "on a political basis"?

Mr. Deputy Speaker: Order.

Mr. Byrne: When I say on a political basis, Mr. Speaker, I am referring to co-operation between the two governments to which I have referred.

[Mr. Byrne.]

Mr. Deputy Speaker: Order. Perhaps I should not allow the hon. member to answer a question of that kind, because it seems to me we are departing from the principle of this bill.

Mr. Byrne: As I have said, this is a request in every respect for co-operation. I have said before, Mr. Speaker, that there has been the very best co-operation between the federal government and the provincial government. In the survey that has been made the federal government has spent some $4 million. They have been a partner. That is what this brief requests, a "partnership in the development". We have been a partner. The federal officials have been a partner with the provincial authorities in making a survey to discover just how the Columbia basin may be used to the advantage of British Columbia and Canada.

Mr. Hansell: May I ask my hon. friend a question?

Mr. Byrne: It is hard to understand how they can expect co-operation in other fields if this is the type of co-operation we are to get. After we have proceeded with our investigations to the point where we are in a position to say to our friends on the other side of the line: "Now we are prepared to sit down and talk; we think we have a reasonable case; we are prepared to use this water in Canada or we are prepared to give it to you on a reciprocal basis", the one partner in this Canadian provincial-dominion co-operation goes out and makes a back-door agreement which puts in jeopardy the whole Columbia basin survey and its development for Canadian use.

As to provincial rights, while water resources are provincial responsibilities I think it is correct to say that if power is to be exported out of Canada, a permit must be obtained from the federal government. With regard to natural gas a permit must be obtained. Why should there be so much misunderstanding or why should the provincial government object so strongly—if they do; and it appears that they do, from the words of the hon. member for Okanagan-Revelstoke.

Mr. Wylie: They certainly do.

Mr. Byrne: Why should they feel so strongly about this one particular phase of our development and control of natural resources? I do not think provincial rights should be stressed to such a point that a private company may come in and make a deal that, from my observation of the agreement and the entire summary of the position, is nothing short of pillage.

When the Social Credit government was in its youth in British Columbia the minister

of lands and forests was reported to have said that he was in a great international poker game with the United States in dealing with natural gas and water resources. It seems to me that the minister must have won several good hands, but he has here lost an extremely important jackpot.

Some hon. Members: Oh, oh.

Mr. Wylie: What do you know about it?

Mr. Low: Are you suggesting that they are going to lose?

Mr. Byrne: From time to time we hear Canadians referred to as hewers of wood and drawers of water. Is the next stage of our development to mean that Canadians will be simply hewers of wood and storers of water? I think the passing of this bill will assure that such will not be the case.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, there can be no question but that the house is discussing an extremely important bill which contains an extremely important principle. It is one which should be considered and discussed quietly on a rational basis. I greatly regret that the first speaker for the Social Credit group had to spend his 40 minutes mainly in trying to attack this government on the ground that they were motivated by political bias in the introduction of this bill. Although I may at times think they might be so motivated, I do not think that is the situation at the present time.

Mr. Sinclair: Very rarely.

Mr. Winch: I think we must take as a basis the fact that both governments are sincere in what they are doing or in the position which they are taking. One of them must be wrong. It is our responsibility to find out which one is right.

Although the bill is of a general nature, as has already been pointed out there cannot be any question but that it has been introduced at this time because of a particular situation in British Columbia. For a period of about two months before this house met it was obvious from reading the press that a major fight was developing between the government of British Columbia and the government here at Ottawa on this matter of the damming of the Columbia river approximately six miles from the city of Castlegar.

It is unfortunate the way this conflict developed in the press war. I think it was a little bit stupid or even arrogant on the part of the government of British Columbia that they should sign an agreement with the Kaiser corporation on September 17, 1954, the same day on which they notified General McNaughton that they had this purpose in view. I also think there is a certain amount of condemnation due the federal government in that, when they disagreed and thought it was wrong, they started a verbal war, maintaining that the British Columbia government was cockeyed, that they did not know what they were talking about, that it was an improvident agreement and so on.

Mr. Sinclair: All true.

Mr. Winch: Even if those things were correct, I think we could have got further if the federal government had said to the British Columbia government: We cannot see eye to eye with you; how about coming down, talking this thing over and seeing what we can arrive at?

Mr. Sinclair: But the deal was signed.

Mr. Winch: I know the deal was signed. But instead of carrying on a war and saying that when the house meets in January we are going to bring in legislation and you are not going to get away with this, why not call them in, have talks and see if you cannot work out an understanding, an agreement, an arrangement? However, that was something that did not happen.

We all knew the government was going to introduce legislation at this session. I think the reason this matter has been raised now, because of the development in British Columbia, is that for the first time in the history of our dominion a province has challenged what the federal government apparently took to be a right. Therefore they have found out that even under their existing legislation they need either clarification or additional power. Knowing that this matter was to be raised; knowing that I would get the viewpoint, the facts and the reasoning of the federal government as to why they brought in this legislation, I felt it was my duty as a member of the House of Commons from the province of British Columbia to go over to Victoria and point out to the government that, as a British Columbia M.P., when I arrived down here and heard the story of the federal government I should also have the facts and the point of view of the provincial government, and that if I did not get that information I would be placed in a most invidious position.

I went to see the premier of British Columbia and explained the situation. He said he would make an appointment for me with the minister of lands and forests. I had a long interview with Mr. Sommers, the minister of lands and forests, and I now feel I have the picture. I should like to outline it very

briefly, because it is important and because it definitely emphasizes the viewpoint of the provincial government, a different party from my own, which gives rise to what may be a constitutional problem.

As I have already stated British Columbia, for reasons best known to that government, signed an agreement with the Kaiser corporation on September 17, 1954. Under the terms of this agreement the corporation had to post $125,000 as a guarantee that they would proceed with all the test borings and so on. They were committed to spending not less than $100,000 before March 1 of this year, only some two and one-half weeks away. If, as a result of those borings, it was found feasible to establish a dam approximately six miles from Castlegar, then the corporation agreed to establish a Canadian corporation which would apply for a conditional water licence. If they got the conditional licence they would post an additional bond of $125,000. They would start construction of the dam on or before August 1, 1956 and would complete it by August 1, 1959.

By following through on this agreement the province of British Columbia would have built a dam financed by the Kaiser corporation at a cost somewhere between $25 million and $30 million. The province would receive 20 per cent of the power output delivered anywhere on the international border that the British Columbia government requested. The provincial government would receive annual taxes on the dam in the amount of approximately $275,000.

Now, at this point I asked the minister a question. May I say that I am not divulging any confidences; I went there officially as an M.P. from British Columbia, and in all the discussion I was told only once that something was in confidence. What I was told in confidence I cannot and will not disclose. There were no limitations placed on me concerning anything else I was told. One of the first questions I asked was the matter raised by the hon. member for Kootenay East (Mr. Byrne) a few moments ago. What is the relationship in this matter with the Bonneville power authority? The minister told me they had seen the agreement signed between the Kaiser corporation and the Bonneville power interests. Although there is no mention of that in the contract, such an agreement is in existence.

Having been told that this was the purpose of the original agreement, I then stated that the government at Ottawa said the province would not be allowed to carry out this agreement. What was the position of the province? I want to convey to you the information I received because I think it is of interest and of concern. The answer was, "We have a plan B, and if we cannot proceed with plan A because of the action of the federal government we will proceed with plan B." What is plan B? Plan B is that instead of the Kaiser corporation building the dam it will be built by the British Columbia power commission, which will borrow money under its government guarantee.

I cannot give you the exact amount, because the minister of lands and forests has mentioned three different figures in the last two months. He told me they would borrow at 3·75 per cent, but I noticed last week in his speech in the British Columbia legislature he said they would borrow at 4·2 per cent. If they borrow at 4·2 per cent, I believe they have an agreement with the Kaiser people that they will be paid back at the rate of 6·275 per cent. In other words, according to the minister of lands and forests, under plan B the provincial government would be making an additional gain because they would get the difference between 4·2 per cent and 6·275 per cent, at which rate they would be repaid by the Kaiser corporation. In addition, they would still get their 20 per cent of the power; they would still get their $275,000 in taxes, even although the dam would not be owned by Kaiser. Kaiser would make the province an annual grant of $275,000 as though the corporation owned it. In addition, the Kaiser people would make the provincial government a grant of somewhere between $250,000 and $350,000 annually to take care of the maintenance and improvements required on the dam owned by the British Columbia power commission.

That was plan B, which I understand they still intend to put into effect. This gave rise, sir, to the next question: If Ottawa passes an act to the effect that you have not the constitutional power, what are you going to do about it? The answer I received, and the answer I have read in the newspapers, is that the provincial government will challenge the authority of the federal government and will proceed with the dam.

On what basis is it maintained that the British Columbia government cannot be stopped? They say on this basis: How can the crown, in the right of the dominion, get a judgment or issue an injunction against the crown in the right of the province? Constitutionally and legally, how can you do it?

Mr. Knowles: "Howe"—it is all in how you spell "how".

Mr. Winch: There is no "e" on that how. I am not a lawyer nor a constitutional authority, although I am very interested in that subject. I have been trying to find out just

how—without the "e"—the crown in the right of the dominion can sue the crown in the right of the province. I am told it is most difficult. I have not been able to run it down, but I was told by a very eminent judge in this dominion that there is a precedent in Canada. Although it is most difficult for the federal authorities to sue the provincial authorities, I am told it is possible to sue a cabinet minister, as an individual, for doing something illegally.

Mr. Knowles: Page the Minister of Justice.

Mr. Winch: I understand there is a precedent for that in Canada.

Then that raised the next question. Suppose some method is found for getting an injunction against the provincial government. The provincial government says it is going to go ahead no matter what the dominion parliament says. How are you going to serve such an injunction? It will have to be served by the sheriff. What is he going to do with it? Is he going to say the dominion government takes this position and you have to stop? I am afraid it would not work. Are you going to put the minister of lands and forests in jail?

Mr. Howe (Port Arthur): You are worrying about someone else's trouble.

Mr. Winch: You are not going to stop the gravel trucks from dumping gravel at the Kaiser dam. There are some very interesting and intriguing angles, not only interesting and intriguing but of the utmost importance. I believe this is something we have to try to settle reasonably and rationally. I do not believe it will be in the best interests of Canada if we have one government versus the other government, or one threatening to take the other into court and the provincial government saying, "Go ahead, take me to court; I will not obey it anyway." I believe that would give rise to a situation in Canada that we would all deplore. So, sir, no matter who is right, I do feel that to a great extent this matter boils down to the constitutional issue.

I noticed that the Minister of Trade and Commerce (Mr. Howe), speaking on this matter the other day, said this phase could and would be discussed when the bill was referred to the committee on external affairs. We were all very glad to hear that; but because of the importance of the issue I do feel that members in the House of Commons have a right to expect that the Minister of Justice (Mr. Garson) would give us some insight into the constitutional angle, and as to why this government maintains it is within its rights.

My reason for thinking that important is this. I am convinced that the Minister of Trade and Commerce would not have introduced this bill if he had not received advice from the Attorney General and his legal advisers to the effect that he had power to do this. But when I attended the meeting in Victoria I asked the Social Credit premier and his minister of lands and forests this question. "Have you received legal advice?" He said, "We have had the best legal advice we can get. We have consulted our own attorney general's department, and they say we have the power to go ahead and do what we are doing, irrespective of what is said by Ottawa and the House of Commons". So we have one attorney general's department saying, "You have the power to go ahead" and another attorney general's department saying, "You have not the power to go ahead." Quite obviously there has to be a meeting of minds on this issue, because it is a prime issue and has to be settled.

Mr. Sinclair: How long since the attorney general in British Columbia left law school?

Mr. Winch: I have not the faintest idea; but this I do know, that you cannot always judge ability by age. Whether he is accepted as a brilliant lawyer, constitutionally, I do not know. But I do know that the minister always obtains the advice of those who are under him, of men who are in the civil service because of their ability and their brains.

Mr. Sinclair: Do you think they take the advice?

Mr. Winch: All I know is that in Victoria they have received legal advice, and I am not questioning their statement, nor do I question their integrity or sincerity. Neither do I challenge the sincerity, the integrity nor the ability of those who have advised this government in a different way. But surely it must be obvious that, two governments and two departments being at opposite poles, there must be a constitutional issue in some way.

Mr. Knowles: There must be Rhodes scholars on both sides.

Mr. Winch: I am not a constitutional lawyer.

Mr. Howe (Port Arthur): That is why we have the supreme court.

Mr. Winch: I was coming to that. If I had time I could make a pretty good speech proving the constitutional powers of the dominion.

Mr. Sinclair: It would be the first good speech you had made in the house, then.

Mr. Winch: And I could make a pretty good speech on the opposite side of the picture as well. I heard what the minister said. I was not going to comment upon it, but the only time he does not think I make a good speech is when he does not like what I am saying but does not know how to disagree with it.

If we look at section 92 of the British North America Act we can have no doubt whatsoever that matters such as we are now discussing come within the jurisdiction of the dominion government. We find that subsection 10(c) is as follows:

> Local works and undertakings other than such as are of the following classes:
> (a) Such works as, although wholly situate within the province, are before or after their execution declared by the parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the provinces.

That is pretty clear. It states that the province does not have jurisdiction if the federal parliament declares a work inside a province to be for the general good of Canada or of two or more of the provinces. But, sir, I was most interested to note that when the Minister of Trade and Commerce spoke the other day he made reference to the treaty of 1909, which has been quoted by the hon. member for Kootenay East (Mr. Byrne). Although the hon. member quoted article 9 the Minister of Trade and Commerce quoted article 2. I may have misunderstood the minister, but I cannot interpret article 2 as giving exclusive power to the dominion government on international waters.

Mr. Low: That is what he said.

Mr. Winch: That was the way I heard it, but if I am wrong I stand to be corrected. The minister made specific reference to article 2 which states this, very definitely:

> Each of the high contracting parties reserves to itself, or to the several state governments on the one side and the dominion or provincial governments on the other—

And so on. I am not going to read all of it, but article 2 in the treaty of 1909, which is found in the statutes of 1911, does make reference to the provinces as well as to the dominion.

Now, British Columbia has been exercising powers in respect of international rivers for a good many years, under the authority of an act of the legislature. That authority is the water act of British Columbia, which has been on the statute books of the province since 1897. It was never yet been challenged, nor has there been any challenge of the authority exercised under it. To the best of my knowledge British Columbia is now exercising a right it has always had, or that it has had since 1897.

But, sir, until now the federal government has never obstructed or objected to the use of that power. We are now discussing a general bill which, actually, has only one specific application at the moment, and that is to the Kaiser dam. It must be kept in mind, however, that the Columbia river takes in not only the Columbia river proper but takes in also all its tributaries and the lakes which go to make up the Columbia river basin. This takes in the Okanagan lakes, the Arrow lakes and the Kootenay lakes as well as numerous rivers and hundreds of creeks. And, sir, the Columbia river basin already has numerous dams, used not only for the purpose of generating power but for water storage and the water is stored not only for the benefit of British Columbia but for that of the United States. Objection has not been raised in the past; therefore I think it is understandable why confusion has now developed with the introduction of this bill, at a time when one more dam is going in.

I am trying only to give an outline of the picture as I see it. I believe a major constitutional issue is involved, or at least that the matter is in need of clarification. I am convinced we are not going to be able to settle the problem here or in Victoria. As the Minister of Trade and Commerce has in mind, I do believe that it will have to be referred to the supreme court. It might be a good idea if that announcement were made now so we could have a finding and an authoritative decision as to the constitutional rights, the position of the province and the dominion, and the distribution of authority between those two legislative bodies. It is necessary, because there does need to be clarification of the terminology of the constitution itself.

Under the British North America Act the province has control of its own natural resources. It is thought by many—I think I can say by most—that water is a natural resource of the province, and as long as the province deals only with that water inside its own borders it is a matter for provincial jurisdiction. The water actually does not come up for export until it leaves the province. The water eventually has to leave the province. Is the province therefore interfering with the export of water because it is on a controlled basis?

Until now the government has not taken the position that it now desires to take. Until now, as I understand it, the federal

government has taken the position that where the export comes in is not on the natural resource of water but on the export of power produced by the water inside the provincial boundary. That is quite obvious if you recall that not so long ago the government at Ottawa raised no objection—at least it must have agreed—to the West Kootenay Power and Light installation at Waneta; but when after completion it was found that in south-eastern British Columbia there was a 75,000 kilowatt surplus of power, the government stepped in and refused the right to export that power to the United States.

Is there a line of demarcation between the resource of water and the resource of electrical energy, or are they one and the same because water is the raw material of hydro-electric energy? Sir, I sincerely hope that I have not made confusion worse confounded. I have tried to raise some of the problems as I see them, and to give my honest interpretation of what is in the mind of the provincial government after my talk with the premier and the minister of lands and forests of that province.

I have no hesitation whatsoever in saying, Mr. Speaker, that I am 100 per cent in support of the principle of the bill we are now discussing. I believe it is high time there was a greater understanding on the part of the federal government and a greater interest in the development of local resources for the national good; that there was a greater interest not only in the protection of our resources but also a greater interest in the development of our resources in the various provinces of Canada. It is because I am so much in support of what I am convinced is the purpose behind this bill that I would hate to see it bog down and the issue become even more confused. Because these present difficulties, problems and misunderstandings, perhaps, have not been cleared away I sincerely hope that we shall hear from the Minister of Justice (Mr. Garson) before this bill leaves this house on second reading, so he can clarify a number of the problems and points I have brought up.

In conclusion may I say I feel that both governments have been wrong in carrying on a press warfare. I hope, and I think we will all agree, that in the future, instead of going after each other hammer and tongs we shall make an effort to get together and talk things over and see if provincially and nationally we cannot get together in the interests not only of our province, its industries and its resources, but the general good of the Dominion of Canada.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, at the outset I should like to commend the hon. member for Kootenay East (Mr. Byrne) and also the hon. member for Vancouver East (Mr. Winch) on the approach which they have adopted in this dangerous situation. The remarks of the hon. member for Vancouver East must have impressed even the most hotheaded among the bureaucrats in Ottawa that it is a good thing to be just a little cautious, and that you cannot override the provinces. Of course the Dominion of Canada, with all its might, could override the provinces, but in so doing it would destroy the Dominion of Canada, which is a very serious matter and should give pause for a great deal of thought.

I will just say this in leaving the hon. member for Vancouver East. He spoke just as I would expect him to speak, as a socialist, in favour of this bill. I, as a Social Crediter, will oppose the bill and the principle of the bill, because I believe that the hon. member for Vancouver East had just as much sense about how to govern British Columbia when he was in the British Columbia legislature as he has now when he is in the House of Commons at Ottawa. Consequently, he could have governed in British Columbia just as well as he can possibly do in Ottawa.

Why then take the power and authority away from the province, which will do the job well, and put it in the hands of the dominion which may or may not do the job well? That is the great point that has to be dealt with. I referred to that last night to some extent in my little discursions into Rhodes scholarships and the like.

The cause of Bill No. 3, which is before the house at the present time, would strongly appear to be the Castlegar dam project proposed by British Columbia. I desire to get away entirely from political considerations and try to shed light and not heat on the situation. It will be my endeavour in this speech to present to the house and to Canadians all across our country a readily understandable picture of the Castlegar dam, sometimes called the Kaiser dam project. What is the nature of it? What is the purpose of it? What are the motives behind the proposal of it?

Details in my remarks will be based upon the plan as outlined by Mr. R. E. Sommers, British Columbia minister of lands and forests and minister of mines in his radio address over radio station CBU Vancouver on November 29, 1954. By doing that, I shall be able to keep away from all these extraneous

things which the hon. member for Vancouver East injected into the discussion, thereby causing confusion. My object is to keep the issues clear.

The proposed Castlegar dam is to be located at the outlet of Arrow lakes, British Columbia. The general idea behind the project may be briefly stated thus: The British Columbia government, through the use of this dam, proposes to store 3 million acre feet of high water in the Columbia river and let that water down the Columbia into the United States in times of low water to help maintain production in certain United States hydroelectric plants, and to receive, as compensation, power to the value of some $840,000 per year for 50 years. In effect it means the saving of the 3 million acre feet of water normally running to waste, and selling that water to the United States people for at least $840,000 to help pay off British Columbia's heavy provincial debt.

The Arrow lakes constitute a hundred mile long enlargement of the gigantic Columbia river in the interior of British Columbia. At the outlet of the Arrow lakes is the town of Castlegar, located on the banks of the Columbia river near what are known as the Castlegar narrows. Past Castlegar there flows each year through these narrows down to the United States border, a distance of some 25 to 30 miles, a huge volume of Canadian water which is running to waste as far as Canada is concerned, a waste of water to Canada, a waste of hydroelectric power, too. If that water comes down in times of high water the United States cannot use it, and it is then a waste to the United States and to the whole North American continent. I hope that matter will be borne strictly in mind by all people dealing with this matter.

What can the British Columbia government do? What could any group of people in the house do? What could you do? What would you do? What can the British Columbia government do to salvage some of this waste water? Could that government build a dam at Castlegar or further down, generate electric power and use it in those parts of the province? The facts available to the British Columbia government seem to prove that the terrain at Castlegar is not stable enough to support a high crest dam. This seems to be a fact that most people who talk about this project too hastily do not know.

Can nothing be done about this waste? The British Columbia government think that something might be done. If a low-level dam could safely be built at Castlegar and it was high enough and strong enough, then the water in the Arrow lakes could be backed up and the level raised high enough to store an estimated 3 million acre feet of water to be held there to be let run downriver in times of low water. If this can be done then perhaps that stored-up water which is running to waste now could be backed up to supply hydroelectric generating plants downriver in the United States at periods when they need that water in order to keep those plants running at the most profitable rate. The return to British Columbia for that water under this proposal is that the United States shall grant British Columbia payment in terms of power and not money.

The British Columbia government believes, and has believed, that the evidence available justifies them in exploring the possibility. I hope it is not unconstitutional to explore possibilities! In order to find the most satisfactory and economical way in which to get the necessary exploring done, they studied the matter for some time. Finally a United States company offered to undertake the job of exploring on what looked like rather attractive terms. This company is the Kaiser Aluminum and Chemical Corporation.

This United States corporation, after lengthy negotiations with the British Columbia government—as all negotiations in connection with this project have been lengthy and careful; as careful as would have been the case with any dominion government group, notwithstanding the Minister of Fisheries (Mr. Sinclair) with all his wisdom—this Kaiser company after lengthy negotiations finally arrived at an agreement with the British Columbia provincial government.

The company finally agreed, first, to explore the physical and economic feasibility of building such a low-level dam at Castlegar narrows at the outlet of the Arrow lakes and second, in case the exploration satisfied both the province and the company as to the feasibility of the project, to construct at Castlegar a low-level dam. There are two distinct phases to the contract, two distinct kinds of jobs to be done: First, exploring, and second, constructing.

The corporation agreed to explore on the following terms—may I draw attention to the great care which the British Columbia government has exercised in that agreement. They got an agreement just as good as the Minister of Fisheries could get: First, the corporation would post a bond of $125,000. Second, they would proceed immediately with test borings, geological surveys, field engineering and other engineering work for the purpose of determining the feasibility of the project.

Third, they would spend not less than $100,000 before March 1, 1955—I understand there has been a change in that date because of circumstances over which no one had any control—or a proportionate amount of the $100,000 if the project were deemed unfeasible before March 1. Fourth, they would furnish to the province a certified statement containing a complete record of all expenditures. Fifth, they would forfeit the corporation's $125,000 bond if they failed to comply with all the provisions of the agreement. Even a Rhodes scholar could not do any better than that!

The agreement to explore was signed on September 17, 1954. Note that it is an agreement only to explore. All the silly outbursts that have been heard from various members of this government occurred after this agreement to explore, not construct, had been signed. I do not recall in the history of Canada such recklessness in pronouncements by ministers of the crown. The British Columbia government did not go so far as has been contended in signing that agreement on September 17.

The corporation, if it were judged feasible by both principals, agreed to construct the Castlegar dam on the following terms: First, the corporation would incorporate a Canadian company under the laws of British Columbia. Second, it would obligate its Canadian company to make application for a licence under the provisions of the water act, to which reference has already been made today, it being recognized that such licence if granted would permit construction of the works. Third, it would at the time of the application recognize entitlement to be heard to all those whose rights would be affected and to anyone representing public interests. Fourth, in case the licence is granted to and accepted by the Canadian company, then the Canadian company or the corporation will be committed to deposit forthwith a further sum of $125,000 as a performance bond. There is caution. There is nothing there to get awfully excited about, to call it cockeyed and that kind of thing. Fifth, it would commence the construction of the Castlegar dam on or before August 1, 1956; sixth, complete the dam on or before August 1, 1959. An orderly development all the way through! No minister of fisheries nor any other person in this parliament could do any better.

The province of British Columbia agreed that when the storage dam is completed, under the provisions of the water act they will issue a final licence to the company covering a term of 50 years. See how carefully everything has been done. There is provision for renewal of such term for such period and subject to such conditions as the province and the company may agree upon. A person would think that the government out there had bartered away half of British Columbia to hear some of these reckless people talk.

These conditions would also be included in any conditional licence issued. You will notice that there is no loophole anywhere. In return for these rights the company agrees: First, to deliver to the province energy to the amount of 20 per cent of the kilowatt hours which could be generated at downstream plants of the federal government of the United States from the net storage waters created by the storage dam. That is specific, is it not? This 20 per cent is calculated to be some 42,000 kilowatt hours annually.

Second, the company agrees to deliver to the province of British Columbia 20 per cent of all energy that might from the net storage of water rendered possible by the dam be generated in such additional dams with generating facilities as may be constructed downstream, the marketing agency for the energy generated by which is the Bonneville power administration. As has been brought out this afternoon that agreement is absolutely ironclad. The figure of 20 per cent is not final, but it demonstrates how carefully everything was planned in British Columbia. The government is free to negotiate further before agreeing to a final figure. Everything has been done to protect the interests of the people of British Columbia.

There are indications that further benefits might accrue to British Columbia beyond the 42,000 kilowatts. There is a strong possibility that British Columbia might obtain a 60 to 70 per cent load factor on the 42,000 kilowatts delivered, in any agreed period. Based upon the 70 per cent load factor this would give British Columbia an additional 18,000 kilowatts.

What are the financial advantages to British Columbia? First there is the value of the kilowatts. We have 42,000 kilowatts at $20 per kilowatt—which is a conservative figure—which would amount to $840,000. Second, there are the taxes on the dam which are estimated to amount to $275,000 a year. That would provide a clear profit annually of at least $1 million for the province of British Columbia.

This is the kind of management that enables a Social Credit government to get out of debt! It is reported that the federal government—and I emphasize this is a report—has advanced a proposal known as a 50-50 agreement between the province and the Kaiser corporation. The minister is here and he can correct me if I make any mistakes.

I am not sure I have all the facts here, but I have made some progress since I started a week ago. To return to this reported arrangement, I believe any such 50-50 arrangement with the province of British Columbia would mean that the province or the storer would have to build and maintain the dam, a fact which not so very many people recognize. The Kaiser corporation would pay the province compensation for the stored water, and that compensation would amount to 50 per cent of the power generated with that water.

Mr. Lesage: What if the Kaiser corporation obtains no power at all?

Mr. Blackmore: Well, it is just like a farmer planting his crop. He may not get a crop this year. There have been such things as crop failures.

Mr. Lesage: That is not an answer.

Mr. Blackmore: There must be give and take. If nothing is done with this water it will continue to pour down there for the next 100 years as far as the Minister of Northern Affairs and National Resources (Mr. Lesage) is concerned, and without any advantage to the people. But I would rather people would ask me questions when I have completed my remarks. I wish to put all these facts where they can be readily available, and if there is anything wrong I am quite prepared to answer questions afterward.

Now, what would the federal government's proposal result in? In this case the British Columbia government would first of all have to build the dam. That would cost $30 million at an interest of 5½ per cent, which would amount to $1,650,000.

Mr. Howe (Port Arthur): I have no wish to interrupt the hon. member, but he is suggesting I said that power should be divided 50-50 between the province of British Columbia and the Kaiser corporation. I wish to assure him that I said nothing of the kind. I cannot think of a more improvident arrangement. The hon. member is therefore dealing with a suggestion which certainly did not come from me.

Mr. Blackmore: I appreciate the minister's intervention, and I am anxious to obtain all the information I can get. This is a very serious question, and I have no desire to make any mistakes. I do not want to have the same ghastly record as that built up by some members of the cabinet over the past three months. However, I have already pointed out that it had been reported that the federal government has advanced this proposition, and I am dealing with this proposition. If there is no such proposal then my remarks are naturally cancelled out.

Now, I will just repeat what I have said so everyone will get it straight. In the case of the 50-50 proposition, as I understand it, British Columbia would pay $30 million for building the dam. That money at interest of 5½ per cent would cost $1,650,000 a year. Operation and maintenance of the dam would cost $350,000 a year. The annual cost to the province at that rate would be $2 million a year, going on and on. This would be a demonstration of how governments, other than Social Credit governments, get into debt.

On the basis that 20 per cent of the power generated would be 42,000 kilowatts, the province receiving 50 per cent of the power generated would get 105,000 kilowatts per year. At $20 per kilowatt this would give 105,000 x $20 or $2,100,000 annually; but the annual cost to the province would be $2 million. Thus the net financial return to the province would be only $100,000. But if the Kaiser corporation built the dam the province would have collected $275,000 as taxes. Such taxes would be lost if the province owned the dam. Thus by using the 50-50 device reported proposed by Ottawa the province would sustain a net loss of $175,000 per year, and at the end of 50 years would still be in debt for the $30 million estimated capital cost of the dam.

It will therefore be seen that there is no need to bring in control from Ottawa in order to have good management of the province's affairs.

Some important questions have arisen out of the controversy which has taken place on this question. The first is, will this Castlegar or Kaiser low-level dam upset the present economy of Arrow lakes? British Columbia's official answer to this is:

> Water will be stored only at such heights as will not damage existing communities, farm areas, and land transportation.

This argument has been advanced by many people, though I am not going to refer to any individual in particular. I am trying to keep names out of this except, of course, for that of the Minister of Fisheries and I am quite happy to mention him because I understand he is a Rhodes scholar.

The second question is, will the application of the principle involved in this Kaiser dam project tend to establish a vested interest in the United States? It is recognized that the dominion government always has to be careful to see to it that a vested interest is not established in the United States because of possible complications in the future. But is there that danger of establishing a vested interest with regard to water or power in this instance? The answer is no. The water

concerned is already running into the United States and going to waste. How can we establish a vested interest when the U.S. already are getting all the water?

Power is not going to be exported. The hon. member for Vancouver East, although he displayed a fine knowledge of the matter, still seemed to have the idea that power was going to be generated in British Columbia and exported to the United States. Such is not the case. The water is to be allowed to go downriver and the power is to be generated in the United States and probably sold there, because there is little likelihood of it being sold in British Columbia for the simple reason that British Columbia could not at the present time absorb that power in that particular area. There is no chance of establishing a vested interest with respect to water and power which could be of any real danger.

Furthermore the entire agreement will be terminated at the end of 50 years, at which time the province will be completely free to renegotiate; and that again obviates the possibility of there being any vested interest. I hope that at the end of this period the province of British Columbia will be still running its own affairs and will be guided by men just as wise as those who are guiding its policies today.

The third problem is, should British Columbia develop the Kaiser corporation project of storing water in the Arrow lakes before certain other projects for producing power in that particular area of British Columbia? For example, such projects as Waneta dam No. 1 and Waneta dam No. 2, Murphy creek, and Mica creek. There is much talk about the advisability of developing one or other of those projects. Let us examine them. The answer is no in each case. Waneta No. 1, capable of greatly increased power production, has not been further developed because there is not in that area enough market for power to justify the expansion of the plant or of its production. That just punctures some balloons of imagination quite thoroughly.

Waneta No. 2 cannot possibly be developed until after Waneta No. 1 attains full development. That spoils the fun again for a lot of the boys, does it not? As to Murphy creek: from the hydro engineers' standpoint, Murphy creek should be developed only after Waneta 1 and Waneta 2 have been developed to full realization of their potential, and their resultant power shall have been purchased in British Columbia. It cannot be purchased outside because the dominion government prohibits the export of electricity. Just look at the corner that puts a lot of the wise boys at Ottawa in!

At the present time there is already in that area of British Columbia—as the hon. member for Vancouver East (Mr. Winch) said—a surplus of 75,000 kilowatts that cannot as yet be marketed. Then how could you conceivably develop Waneta No. 2 or Waneta No. 1 with that surplus of power already in the general district? The hon. member for Peace River (Mr. Low) points out that the wise boys here are allowing that 75,000 kilowatts to go to waste.

Mr. Martin: The hon. member for Peace River seems to be a little bit doubtful as the hon. member speaks.

Mr. Low: No, not at all.

Mr. Blackmore: No. The hon. member for Peace River was a member of that clear-eyed, bright brained group of young men that put Alberta on a paying basis.

Mr. Herridge: Will the hon. member for Lethbridge permit a question?

Mr. Blackmore: Yes; if it is not too long.

Mr. Herridge: Will he tell the house where Waneta No. 1 is located and Waneta No. 2?

Mr. Blackmore: That is not a question at all. The power that would come from them would probably be sold in the central area of British Columbia, as I understand it. I would prefer not to have questions asked now. May I ask that at the end of my talk questions be asked and I will deal with them then. If I cannot do so, there are some British Columbia men here who can.

Other reasons for deferring the development of the Murphy creek dam are as follows. First, a high crest dam which would be required to generate the electricity at Murphy creek would create a reservoir that would reduce the generating capacity of the present dam at Brilliant.

Mr. Fulton: This is out of order.

Mr. Blackmore: No; it is not out of order. Do not let Rhodes scholars try to stop me in that way. These are matters that are pertinent to this thing. Very well. As I was saying, a high crest dam at Murphy creek would create a reservoir that would reduce the generating capacity of the present dam at Brilliant. That is an important matter. Second, such a Murphy creek dam would adversely affect existing settlements at the junction of the Columbia and Kootenay rivers. Third, such a Murphy creek dam would disrupt present transportation and communication in that section of the Kootenays which links Trail with Nelson.

Mr. Herridge: Would the hon. member tell us which paths of communication it would obstruct?

Mr. Blackmore: Ask me questions at the end of my speech.

Fourth, such a Murphy creek dam would create a reservoir that would distress the presently expanding settlements and industries in the vicinity of Castlegar. Those are enough considerations to make a person a little bit hesitant about advocating the Murphy creek dam too energetically.

It is agreed by British Columbia authorities that the Murphy creek project is one that ought to be constructed when market conditions in British Columbia warrant it and not until then, but that at present Murphy creek dam should be deferred. When and if the Murphy creek dam is built it is suggested that a low crest Murphy creek dam be used with upstream storage in Arrow lakes and at other points on the Columbia to provide regular flow. Such a low crest or perhaps medium crest elevation dam would avoid flooding out a portion of the head at Brilliant, and would avoid, in considerable measure, adversely affecting existing settlements at the junction of the Kootenay and the Columbia; it would avoid disrupting transportation, etc., between Trail and Nelson; and it would avoid distressing areas in the vicinity of Castlegar. So it sounds a little bit more attractive perhaps as a practical proposition to be deferred and probably built at a later time.

As to the gigantic Mica creek hydro power development, the hon. member for Kootenay West (Mr. Herridge) the other day said the brilliant men who were at that meeting—

Mr. Herridge: They know more about it than you do.

Mr. Blackmore: We will see how much they know. If they do not know more than the C.C.F. do, I am not much concerned.

Mr. Herridge: Tell us what communications between Trail and Castlegar will be interrupted.

Mr. Deputy Speaker: Order.

Mr. Blackmore: The British Columbia official statement says this. I presume it was prepared by the very best engineers that can be obtained out in that country. The statement says:

> It appears that it will take several years yet until the problems associated with Mica creek and other upstream regulations have been analysed thoroughly.

It sounds just exactly reasonable. Meanwhile if we wait until the Mica creek dam is built or until the time comes to develop it, that 3 million acre feet of water is running away and going down the drain with the complete approval of many of the wise men in the country.

[Mr. Herridge.]

Will the development of the Castlegar dam project mar the feasibility of other projects presently in operation, presently under construction or presently being contemplated? Will it tend in any way to interfere with the ultimate over-all maximum potentiality of the development of the Columbia river system in its entirety relative to, first, power production and employment and, second, water conservation and use?

Hon. Robert Sommers said in his radio broadcast on November 29, 1954:

> There are those who say the Castlegar proposal will endanger the over-all power plan for the development of the Columbia river. Nothing could be further from the truth.

No doubt he had behind him the very best engineering skill in British Columbia, and that is fairly good.

In an official statement given out on the matter of the proposed low dam by the British Columbia government appear these words:

> Storage on lower Arrow lake, on the other hand, guarantees a high and steady revenue for the next fifty years, without prejudice to major development that lies ahead for that part of the Columbia river upstream in Canadian territory.

Has the British Columbia government proceeded with appropriate care in connection with this Castlegar project? Yes. General A. G. L. McNaughton some time ago made a suggestion. This is something that some of the people will want to know. It will be good for their souls to hear it. General A. G. L. McNaughton some time ago suggested that the British Columbia Social Credit government set up a Columbia river basin development advisory committee to review the Castlegar dam project in relation to the development of the Columbia river in its other hydro power development phases. The present British Columbia government accepted that suggestion. General McNaughton made definite recommendations as to personnel. Again his recommendations were accepted. That shows that these Social Crediters out there are quite ready to listen to reason as long as it is reason.

The committee was set up in 1953. Its members are: Hon. R. E. Sommers; Hon. W. K. Kiernan; Hon. W. D. Black; Hon. T. H. Crosby—all members of the British Columbia cabinet—Mr. R. G. Anderson, vice-president, West Kootenay Power and Light Company—and he ought to know something about it—

Mr. Herridge: He is against the project.

Mr. Blackmore: Just a minute. I would ask the hon. member to control himself. I think I have talked just about as fast as I can. If you just give me a little bit more time I will cover the whole thing. The other members were Mr. T. Ingledow, vice-president

of the British Columbia Electric Company Limited, and Mr. Gordon J. A. Kidd, project engineer, department of lands, secretary. That sounds like a fairly sensible selection, does it not? It is also General McNaughton's suggestion.

Was the Castlegar dam approved by the committee? That is the next thing. Yes.

Mr. Herridge: With Mr. Anderson objecting.

Mr. Blackmore: Yes. I will give that if the hon. member will control himself. If he will just hold on to himself for a minute I will come to it. I cannot say everything at once. I am sure that if the hon. member allows me to say it, the situation will be clearer than the way it is now. Was it approved by the committee? Yes; on November 26, 1954. The only member voting against the motion to endorse the agreement was Mr. R. G. Anderson, vice-president of the West Kootenay Power and Light Company!

Mr. Herridge: With the majority present cabinet ministers.

Mr. Blackmore: All those details can be ironed out. But the information I am giving here is information which was given in the throne speech made by Hon. Robert Sommers. I take it to be absolutely accurate. Until it is proved to be inaccurate, I will accept his word ahead of that of any man in this house.

Is there any particular urgency about proceeding with the Castlegar project as soon as practicable? Yes. First, the states just across the border greatly need power right now, not when the Mica creek dam or the Murphy creek dam or any other dam can be constructed. Secondly, if they do not get such power from British Columbia now they will take steps to obtain power elsewhere. If British Columbia refuses to help them when such help can be so easily afforded, that fact will be considered by them as somewhat less than a good neighbourly gesture. Fourth, British Columbia greatly needs the $1 million a year to reduce further her public debt.

Mr. Herridge: Peanuts.

Mr. Blackmore: There is a socialist talking again.

How can Bill No. 3 be justified? First, British Columbia, as a sovereign province of Canada, owns her natural resources and must continue to own them, otherwise she cannot possibly carry on as a province. Only 3 per cent of the land in British Columbia is arable.

Mr. Herridge: That is why we should not flood it.

Mr. Blackmore: It is not easy to run a province under such conditions as those. Provincial expenses are heavy. Think of the heavy costs British Columbia has incurred in building her roads. She particularly needs the resources she does have, and one of these is water. The present government of British Columbia has made good progress in administering the affairs of the province, paying off $50 million of the over $191 million of debt which existed on February 14, 1952.

Mr. Herridge: Left in the pot by a Liberal government.

Mr. Blackmore: British Columbia has always been keenly alert to the need for the wisest possible development of her water resources, and I presume she will continue to be if she is left to go on and do the work the way she wants to do it.

The federal government has introduced Bill No. 3 on the plea that it wants to see the Columbia river developed in an orderly manner.

Mr. Herridge: That is right.

Mr. Blackmore: The implication is that the province could not do it. How foolish some of these centralizers can be! The federal government says that under article 2 of the boundary waters treaty of 1909, the federal government has complete control over the Columbia river, since it is a river that rises in Canada and flows across the border into the United States. The hon. member for Vancouver East (Mr. Winch) just exploded that theory by reading into the record a statement from the international boundary waters treaty.

The introductory speech by the Minister of Trade and Commerce (Mr. Howe) misinterprets article 2 of the boundary waters treaty of 1909. It misrepresents that article, it misapplies that article. That is more than serious for a man in the position this man occupies.

For the introduction of Bill No. 3, the federal government can find no possible justification constitutionally, legally, economically, morally or ethically. I suggest that the only genuinely becoming thing for the minister to do is to withdraw Bill No. 3, and to apologize to British Columbia and the other provinces. Then, he should arrange to meet the British Columbia government in some city in British Columbia and enter into a most thoroughgoing negotiation to determine in what ways the federal government can most acceptably and efficiently co-operate with British Columbia in working for the most advantageous development of the Columbia river. We are not asking for anything more than was accorded Mr. Duplessis within the last six months.

Mr. Herridge: That is not what the people of Kootenay think.

Mr. Blackmore: I am making this speech, and the least the hon. member can do is to listen to it.

Mr. Herridge: We believe in democracy.

Mr. Blackmore: You do not sound like it. Any group of people that stands up here and says that the control of the resources of British Columbia should reside in Ottawa does not believe in democracy for British Columbia.

Mr. Herridge: We did not claim that.

Mr. Blackmore: Everything that has been said thus far indicates that rather strongly.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member, but I am obliged to advise him his time has just expired.

Mr. Blackmore: Thank you, Mr. Speaker.

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): I had not intended, Mr. Speaker, to deal at length with the contentious discussion that has been going on about the building of the proposed dam near Castlegar in British Columbia. However, I might mention that I have already given the reasons why I am of the opinion that the building of that dam at this time would not be good business for British Columbia or for Canada as a whole.

On January 4 last I addressed a letter to Mr. Crowder, the secretary-treasury of the Trail chamber of commerce, in which I detailed the reasons for my opinion. I do not have to repeat those reasons this afternoon because, on Friday night last, the hon. member for Kootenay West (Mr. Herridge) mentioned them in this house. The reasons I gave at that time were based on the radio speech made by the minister of lands and forests of British Columbia, just as the speech made this afternoon by the hon. member for Lethbridge (Mr. Blackmore) was based on that radio talk. I agree that the letter to Mr. Crowder contains a few things that are not exactly accurate because, as I say, at that time I did not have the opportunity to take cognizance of the agreement between the Kaiser company and the British Columbia government signed on September 17, 1954, a copy of which I have with me now.

Apart from a very few minor amendments which do not affect the substance of that letter, I may say that the letter stands as it is and that the reasons given in that letter for my opposition stand today. I am not going back to them. The only thing I want to say on that subject now is that I was rather surprised that a man of vision like the hon. member for Lethbridge—

Mr. Hahn: Mr. Speaker, would the minister care to table the letter so we can have a copy of it?

Mr. Lesage: I have no objection to tabling a copy of the letter. If there is unanimous consent I shall table it tomorrow. I am in the hands of the Chair.

Some hon. Members: Agreed.

Mr. Deputy Speaker: I did not understand the request of the hon. member.

Mr. Hahn: I referred to the letter mentioned by the minister with respect to the Kaiser people; the Crowder letter.

Mr. Lesage: I shall send the hon. member a copy.

As I was saying, I had always thought of the hon. member for Lethbridge as a man of vision, but this afternoon it seemed to me when he was speaking about huge surpluses of power in British Columbia at this time he was forgetting what had happened in other provinces of Canada. Not so many years ago some people in authority in Ontario were claiming the right to export power to the United States. They based their demand on the fact that there was a huge surplus of power in their province, a surplus which would exist for generations. The hon. member for Lethbridge was making the same plea this afternoon. Only 20 years later—

Mr. Blackmore: On a question of privilege, I would like to mention that I said 75,000 which, I understand, is not a very large amount; and yet it is enough to spoil the market.

Mr. Lesage: Seventy-five thousand what?

Mr. Howe (Port Arthur): Kilowatts.

Mr. Lesage: Well, I believe it is exactly the same situation. Today Ontario is in a position where her last source of power is the St. Lawrence seaway development; and after that there is nothing else. And when we think how young our country is it will be realized that I am using the right expression when I say that a deal like the Kaiser one is equivalent to selling down the river or giving down the river the possibilities of power development in this country at this time. Future generations, or even ourselves, would regret it—and in a very few years' time.

There is no doubt that the hon. member for Lethbridge (Mr. Blackmore) advocates the export of our natural resources because when he gave the reasons for the building

of the Castlegar dam at this time, the first reason he mentioned was that it would provide electricity which is badly needed—badly needed not in Canada but in the United States. That was the first reason he gave.

I do not believe that the needs of the United States should be our criterion when we decide what we are going to do with our natural resources. Of course the hon. member for Lethbridge said in his speech that he was basing his talk on the radio speech of Mr. Sommers to the effect that British Columbia would get 20 per cent of the additional power that would be generated downstream in the United States by the storage of the water, and also 20 per cent of the additional power which would be generated by any future installations.

Well, I have now in my hand the text of the agreement entered into by the Kaiser Aluminum and Chemical Corporation and the government of British Columbia on September 17, 1954.

Mr. Pearkes: Would the minister table that document, please? All of us do not have it.

Mr. Lesage: I have no objection.

Mr. Herridge: It is historic.

The Acting Speaker (Mr. Applewhaite): Is the hon. member asking that the document be tabled, or that it be printed as an appendix to the minister's speech?

Mr. Howe (Port Arthur): Tabled.

Mr. Pearkes: It would be better as an appendix to *Hansard.*

Mr. Howe (Port Arthur): I do not think we would be warranted in publishing it as an appendix to *Hansard,* but I do not see any reason why it could not be tabled. Perhaps at the proper time it could be laid on the table.

Mr. Fulton: What is the objection to having it as an appendix?

The Acting Speaker (Mr. Applewhaite): The document will be tabled.

Mr. Fulton: The minister could read it all, and then it would be on *Hansard.*

Mr. Lesage: I might say that I am also going to table the second agreement dated January 14, 1955, amending the first one, and between the same parties. I shall table both documents after I have finished speaking this afternoon.

Mr. Herridge: There is another one since then.

Mr. Lesage: I have the original agreement of September 17, with its annexes, and the amendment of January 14, 1955. That is all I have in hand at the moment. I understand these documents were tabled in the provincial legislature by Mr. Sommers two weeks ago tomorrow.

The sections I want to quote, and which I believe are the important ones, are as follows:

8. Her Majesty in the right of the province of British Columbia agrees that upon completion by the Canadian company—

And the Canadian company is the Canadian company to be formed by the Kaiser Aluminum and Chemical Corporation.

—of the storage dam hereinbefore referred to, Her Majesty will cause to be issued to the Canadian company a final licence under the provisions of the Water Act upon terms conforming to this agreement for a term of 50 years with provision for renewal of such term for such period and subject to such conditions as Her Majesty and the Canadian company may agree upon.

9. The licence issued pursuant to paragraph 8—

Which I have just read.

—shall provide that, commencing September 1, following completion of the project to operating condition as determined under sub-paragraph (b) of paragraph 7, and in lieu of any other fees, rental or charges under the Water Act the Canadian company will cause to be delivered, without charge to Her Majesty or to Her Majesty's nominee, at a point or points on the system of the Bonneville Power Administration at the boundary between Canada and the United States of America electrical energy equal to 20 per cent of the kilowatt hours which could be generated at downstream plants of the federal government of the United States from the net storage created by the dam; the amount of net storage and the quantity of firm power to be delivered shall be determined as set forth in the schedule attached as schedule 2.

Which I shall also table.

In the event additional dams with generating facilities for which the Bonneville Power Administration is the marketing agent are constructed downstream, electrical energy equal to 20 per cent of the kilowatt hours which could be generated by such additional facilities from the net storage created by the dam will be delivered on the conditions stated above, but not more than an amount equal to 50 per cent of such portion of the kilowatt hours which could be generated by additional facilities from the net storage created by the dam as Bonneville agrees—

I repeat "as Bonneville agrees."

—to make available for the combined use of the company and Her Majesty.

And, Mr. Speaker, the Bonneville authority, which is a United States federal agency, is not even a party to this agreement.

Mr. Herridge: That is the point.

Mr. Lesage: It is not even a party to this deal. Here the Kaiser company guarantees to the British Columbia government that the British Columbia government will get 20 per cent of the additional power generated by storage, but it will get it from the Bonneville power authority, which is a federal agency, and that federal agency is not a

party to the deal. And moreover there is no agreement referred to here between Bonneville and Kaiser.

What is the guarantee? Where is the guarantee? Where do we go? The whole thing is up in the air. I never saw anything so childish; there is no guarantee at all. And, moreover, supposing Bonneville decides to provide 10 per cent of the power to Kaiser, the only amount Kaiser is obligated to supply is 50 per cent of that 10 per cent, which is 5 per cent.

Moreover this 20 per cent, which is supposed to come from Bonneville, would be an export of power from the United States to Canada. What would happen if the federal power commission refused a licence to export that 20 per cent from the United States to Canada? Where does the British Columbia government stand on that deal? Nowhere. The only guarantee it has is a guarantee of moneys. It is selling down the river, for peanuts, the most valuable resource of British Columbia, which is water power. And, Mr. Speaker, the "peanuts" are not even guaranteed. Now I will quote the rest of article 9:

> In the event that the Canadian company is unable by reason of any law or by reason of any order or decree of any administrative body or official having jurisdiction in the premises, to deliver the power to Her Majesty, then during such period the Canadian company shall pay to Her Majesty monthly in lieu of the delivery of such power an amount equal to the value of the power not delivered in such month; the value of such power shall be determined at the current rate then charged by Bonneville Power Administration for similar service.

Therefore, really it is a case where the return of power is far from being guaranteed, and what we might expect is a small payment in money.

And, Mr. Speaker, as for additional energy that may be created by additional generating facilities which would be built by other companies or agencies than Bonneville, or any other federal agency, here is the wording:

Let me quote article 10:

> In the event that additional dams or generating facilities are built by the federal government of the United States for which the Bonneville Power Administration is not the marketing agent, or in the event other dams or generating facilities are constructed by non-federal government agencies downstream, the Canadian company will endeavour to obtain as nearly the same conditions as obtained from the Bonneville Power Administration as possible.

That is all the guarantee: the Kaiser company will do its best. There is no guarantee at all for the British Columbia government.

Mr. Howe (Port Arthur): How do you like my definition?

Mr. Lesage: I said at the beginning, Mr. Speaker, that I did not intend to go into the details of this deal, which is not a deal but is a "fire sale", as we say in French.

Mr. Sinclair: A robbery.

Mr. Lesage: A steal, or a selling-out. After listening to the hon. member for Lethbridge this afternoon, who read a statement by the government of British Columbia, or the party who is at the head of the government of British Columbia, I could not help but say what I had in mind. I still believe, however, that this whole question, as was suggested by the Minister of Trade and Commerce and by the hon. member for Vancouver-Quadra, could be more properly and easily dealt with in the committee, where we shall have all the experts to explain all the reasons why this is a bad deal.

Other questions have been raised. The constitutional question with respect to this bill has been raised by the hon. member for Vancouver-Quadra, by the hon. member for Okanagan-Revelstoke and this afternoon by the hon. member for Vancouver East.

Mr. Pearkes: I am sorry to interrupt. I wonder whether the minister would read the final sentence of article 10 which he has been quoting. I think it has some bearing on what he has already read.

Mr. Lesage: Yes.

> The amount of power to be supplied to Her Majesty in such cases will be worked out on a basis consistent with paragraph 9.

As much as possible.

Mr. Pearkes: It does not say "as much as possible".

Mr. Lesage: "Will endeavour to obtain", and it would be on the same basis as paragraph 9, so certainly it would not go any farther, but it might be very much less or even nothing, if the endeavours are not successful.

Mr. Green: May I ask a question? Are the contracts to which the minister just referred made between the British Columbia government and the Kaiser corporation in the United States, or merely a Canadian subsidiary of the Kaiser corporation?

Mr. Lesage: It is between the British Columbia government and the Kaiser Aluminum and Chemical Corporation, a corporation incorporated under the laws of the state of Delaware. They state later that whenever they refer to the Canadian company it is the Canadian company that the Kaiser Aluminum undertakes to incorporate in Canada.

I should like to say a few words about the constitutional angle. I will not deal with it exhaustively but I might, in the few moments that are left to me, say a few words about it.

Again I think that the detailed exposition of the legal and constitutional questions could be more satisfactorily dealt with when specific clauses of the bill are studied in committee. But I believe it is desirable to deal with a few general points, since a number of remarks relating to the constitutional position have been made this afternoon. The hon. member for Vancouver East dealt with the question to a certain extent, and I shall come back to what he said.

Last Friday night the hon. member for Okanagan-Revelstoke referred to the bill as an "invasion of provincial rights" and this afternoon the hon. member for Lethbridge spoke in the same terms. The hon. member for Vancouver-Quadra (Mr. Green) said, at page 875 of *Hansard*:

> Another reason the bill should be considered by the committee is that it involves very grave constitutional questions. The provinces of Canada have always been very jealous of their jurisdiction over property and civil rights, and that is one reason the government of British Columbia is so concerned about this measure.

I agree entirely that consideration in committee will help clarify the position, but this is an important aspect of the question and it might be useful if I made a few remarks about the constitutional question at this time.

I believe it is generally recognized, sir, that water and all its uses are of tremendous importance in a country. One of its important uses is for the production of hydroelectric power. That is the most obvious use. I might mention the shortage of good and cheap sources of waterpower in Canada. I might mention its enormous value in industrial growth wherever it is available. I might mention also, in spite of what the hon. member for Lethbridge said this afternoon, the constantly increasing requirements, both in Canada and in the United States, for water power. Because of such importance, it is obvious that any water in a river that crosses an international boundary may be of great interest to countries on both sides of the boundary. That is what the Minister of Trade and Commerce said the other night when he spoke on the question.

The boundary waters treaty of 1909 dealt with certain aspects of waters of an international character. It dealt mainly, though, with boundary water. It also dealt with anything that could affect the level of a river where it crosses a boundary. That is article 4 of the treaty. It also deals with the possibilities of damage to downstream interests in another country. That is article 2. In short, I believe the fact that water crossing a boundary may be of interest on both sides of the boundary has been recognized for over 40 years under that treaty.

The boundary waters treaty did not deal with matters relating to the division of jurisdiction in Canada as between provincial and federal governments. I hope this will satisfy the hon. member for Lethbridge. The fact that it was based on the recognition of the broad national and international importance, not only of boundary waters but of waters crossing a boundary, seems to me to be relevant in considering any argument that the waters in such rivers are purely a matter of provincial concern.

It is perfectly clear that an action that affects the flow of water downstream in another country cannot possibly be a matter of purely provincial jurisdiction. When it affects the waters on the other side of the boundary, how can it be solely a matter of provincial jurisdiction? It is surely a matter of international importance and it is clearly a matter of national concern since it has consequences, as I said, not only inside the country, but outside the country.

I come now to the bill itself, Mr. Speaker. I wish to draw the attention of the house to an important point that could cause misunderstanding and which has caused misunderstanding. I realize it is really a case of misunderstanding after listening to the hon. member for Lethbridge. I believe that misunderstanding may have been created by the short title of the bill which is "International Rivers Act". It might give the implication that the legislation applies to all aspects of international rivers. That might be the reason why the hon. member for Lethbridge asked this afternoon if the federal government was going to have jurisdiction over all our international rivers. That is not what this bill is for. Perhaps I had better read the bill slowly so that hon. members may understand it.

Mr. Fulton: You would be out of order.

Mr. Lesage: Then I will not do it. The hon. member for Lethbridge said that this bill asserts general jurisdiction with regard to rivers as such and covers all works on any international river. An examination of the bill—I shall not read it—will make clear that that is not the case. The bill does not confer jurisdiction with regard to any and all works on any and all international rivers. It covers only a certain limited type of work on such rivers.

It covers works that do both of two things; first, that increase, decrease or alter the natural flow of an international river, and—note that the word is "and" not "or"—second, interfere with, alter or affect the actual or potential use of the international rivers outside Canada. In short, the bill does not deal

with international rivers as such; it does not deal with all works, it deals only with works that alter the flow of the river and also affect the use of the river outside of Canada. Those are two conditions which have to be in existence in order that we have jurisdiction under Bill No. 3.

If a work does not have consequences outside of Canada it is not covered by the bill. The Saint John river was mentioned the other day by the hon. member for Vancouver-Quadra (Mr. Green) and the hon. member for Royal (Mr. Brooks). Let us suppose that a dam were to be built at Beechwood, New Brunswick, to produce power: that dam would not be covered by the bill because it would not affect the use of the river outside of Canada. Consequences of the works outside of Canada are essential before any work becomes subject to the bill.

It seems to me that works of a character referred to in the bill are obviously of national importance and interest. The British North America Act recognizes that there can be works of such character and it makes specific provision for them. I should like to refer to section 92 which was mentioned by the hon. member for Vancouver East (Mr. Winch).

Section 92 (10) assigns local works and undertakings to provincial jurisdiction. It reads:

> Local works and undertakings other than such as are of the following classes:—
> c. Such works as, although wholly situate within the province, are before or after their execution declared by the parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the provinces.

What has been done in this present bill has been to apply the provisions of section 92 (10) (c) to the category of works which are clearly for the general advantage of Canada. Such declaration is contained in the legislation. I think it is clear that there can be no doubt as to the constitutional validity of the bill. What it does is to apply the specific provisions of the British North America Act to the category of work that by definition must have consequences that are of national concern.

While the constitutional position is thus unassailable, to my mind it can be argued that the works involved have important effects outside of Canada and thus they cannot be said to be of a local character.

To my mind it can be argued that the works involved in the legislation and the purpose toward which the legislation is directed are by their very nature outside of provincial jurisdiction. Not only are they under federal jurisdiction because section 92 (10) (c) is applied to this bill, I will go as far as to say that because of their character and purpose the works provided for under the bill are not of a provincial character. The works involved in the legislation and the purposes toward which the legislation is directed are by their very nature outside of provincial jurisdiction and within federal jurisdiction.

As to the works, I have pointed out already that they must have consequences outside of Canada; not just outside the province, but outside of Canada. As I said, such works cannot by definition be local works and undertakings. They cannot possibly be deemed to fall within the limits of property and civil rights in a province, because they affect property and civil rights, not only outside a province but outside of Canada. In short, I believe that the works covered by the bill are not things that are local or provincial in character.

Mr. Green: Before the minister goes on to his next point may I ask him whether it is considered that the dam at Mica creek, a work upon the Columbia river, would come under the terms of this bill? As the minister knows, that dam will be a main source of power on the Columbia river in British Columbia. It is the most important work in the whole development of the river in Canada.

Mr. Lesage: That work will have an effect on the level and use of the Columbia river outside of Canada.

Mr. Green: The minister and his officials must have considered that point. Is it the intention that the Mica creek dam will be subject to the terms of this bill?

Mr. Lesage: It certainly would by the definition I have just given. The water might however be diverted into the Fraser.

Mr. Green: I would like to hear something about that too.

Mr. Fulton: Over my dead body.

Mr. Lesage: I believe I have exhausted my time. General McNaughton, my officials and I will be available before the committee and the question that has just been asked can be discussed.

Mr. Hahn: Would not the damming of any small creek or stream flowing into the Columbia river affect that river downstream and be subject to the act? I cannot quite understand how you can cut off a stream that runs into the Columbia and say that that does not affect the level of the Columbia river.

The Acting Speaker (Mr. Applewhaite): Before the minister replies, may I presume to suggest to the house that we are in grave danger of anticipating the committee stage of the bill. I think any questions which go to the principle of the bill or are properly the result of interpretation of the bill by the minister would be fair, but I ask hon. members not to interrupt any hon. member who has the floor just to ask questions which perhaps would be more properly put in the committee.

Mr. Lesage: Looking beyond the works themselves, the purposes toward which the legislation is directed are obviously national in character. The hon. member for Vancouver-Quadra referred to this last Friday, and I should like to quote from page 875 of *Hansard* as follows:

> I believe the whole foundation of the bill is contained in the words—I cannot refer to a section, Mr. Speaker, but these words are used—"developing the water resources in the national interest". That is what this bill aims to do, develop the water resources of Canada in the national interest.

The hon. member was entirely correct. That is the purpose of the bill, namely, to develop and utilize the resources of Canada in the national interest. That purpose will be the test of the measures taken under this legislation. That purpose is obviously a national purpose and is not a local or provincial one.

In short, sir, the works covered by the legislation are works that are national in interest and character and the purposes behind the legislation are purposes in the national interest. I do not wish to go into the legal aspects of the matter more fully at this time but I think it is clear beyond doubt that the character, scope and purpose of this legislation come entirely within the jurisdiction of this parliament. That legislation does not in any way infringe upon or invade any area that is properly of provincial jurisdiction.

The introduction of this bill marks to my mind a forward step in recognition of our water resources and the necessity for safeguarding them in the same manner as was envisioned by the United States, first, in the appointment of its federal power commission which, as the Minister of Trade and Commerce (Mr. Howe) has already mentioned, holds authority over the construction, operation and maintenance of international river improvements in that country; and secondly, in the formation of the Columbia interstate compact commission by which the individual states in the basin have united to gain the greatest over-all benefit from the water resources of this river system.

In order that no sacrifice of our all-important water resources may be made through too much emphasis being given to a short-range view, such as advocated by the hon. member for Lethbridge (Mr. Blackmore) this afternoon, rather than the farsighted appraisal submitted by the Minister of Trade and Commerce, I cannot emphasize too strongly the immediate need for this house to give its favourable consideration to Bill No. 3, which is designed to afford to the water resources of Canada a measure of protection similar to that now given the water resources of the United States.

I would now ask permission, Mr. Speaker, to revert to motions in order to table certain documents the nature of which I indicated during the course of my remarks.

The Acting Speaker (Mr. Applewhaite): Has the minister unanimous consent to revert to motions?

Some hon. Members: Agreed.

Mr. B. R. Leboe (Cariboo): Mr. Speaker, in rising to take part in this debate I would first like to refer to the statement made by the Minister of Trade and Commerce (Mr. Howe) as to the purpose of this bill and which is reported at page 870 of *Hansard* for February 4 as follows:

> The purpose of this bill is to enable the Canadian government to ensure that the construction, operation and maintenance of international river improvements are carried out in an orderly manner and in the national interest.

But, Mr. Speaker, I submit that is the aim of all provincial governments in Canada. I submit also that the people of Canada under provincial governments are quite willing and able to develop their natural resources in the best interests not only of their own provinces but of Canada as a whole.

I would not for one moment suggest that wisdom and ability are concentrated in the federal cabinet or government. There is no evidence whatsoever of any unwillingness on the part of any provincial government to carry out the avowed purpose of this measure as outlined by the Minister of Trade and Commerce.

That leads me to the conclusion that I must look beyond the remarks of the minister to find out the exact purpose behind this measure. It has already been stated here that there is a certain political flavour to this measure due to the difference in political thought between the provincial and federal governments. In this regard I would refer to the remarks of the Minister of Northern Affairs and National Resources (Mr. Lesage). The minister referred to the "party of the province of British Columbia" when he corrected himself, having said, "the government of British Columbia". That would indicate to me that he himself believes this is more

a political battle and has less to do with the protection of our resources throughout Canada so that they be developed "in an orderly manner and in the national interest."

I agree the minister has some reason for his statement, and justification may be found in some of the press reports which have been quoted in this house. But in regard to the willingness or lack thereof of the provincial government to develop natural resources in the best interests of all Canadians, I think it is worth bringing to the attention of this house again the fact that General McNaughton himself suggested that a committee should be set up to investigate the Columbia river basin and its power potential. The provincial government agreed to do so and also agreed to put on that committee the men recommended by General McNaughton.

It might also be worth recalling that the provincial government carried out the recommendation for a joint project by provincial and federal authorities to investigate the Columbia river basin. It seems to me that the province of British Columbia has co-operated to the fullest extent with regard to this matter.

I understand the Mica creek proposition is possibly 10 or 15 years away. What is the Mica creek dam going to do to rivers across the border? By looking at the map and obtaining some figures on the rate of flow that reaches Columbia river below the Mica creek dam it is evident that the Mica creek dam is going to do exactly what the proposed Kaiser dam will do, and that is regulate the flow.

Mr. Herridge: Without flooding people out.

Mr. Leboe: We have no farms in that part of the country which are in danger of flooding. I do not know how many people there are but I understand the lake will not be raised above the previous known flood levels. Realizing that it is the desire of the provinces to carry on and to develop their natural resources in the national interest, I think it becomes apparent that we must look further afield than we have looked so far for the reasons for bringing in this bill. On the matter of provincial rights, I think we can agree that the province of Quebec put the federal government into a neutral corner, and the federal government is not going to come out of that neutral corner until they have a dominion-provincial conference. I sincerely believe that that is the place to which this whole question should have been brought. I cannot see any reason for rushing into this thing. We have a memorandum of agreement which was tabled by the minister in this house. That is all it is. It is a memorandum of agreement with a great many "ifs" and "buts" in it. It is not watertight in that respect. It is just a memorandum of agreement.

Mr. Herridge: Your minister has told the people that construction will start next spring.

Mr. Johnston (Bow River): So what? That is business.

Mr. Leboe: When these fellows get through talking, Mr. Speaker, I will commence again.

Mr. Low: That is right. Wait till they stop interrupting.

Mr. Leboe: I know I am not alone in this opinion. There are many people throughout the whole of the Dominion of Canada who, if they were asked today whether this thing should be brought before a dominion-provincial conference and ironed out around a conference table, would say yes. People all across the country know—and this government should know it as well—that the place to iron these things out is around the conference table. One should not start a shooting war, as it were, with respect to these things. This thing means a great deal to the people of British Columbia. If they get around the conference table they will find out whether or not they are wrong. We have the committee of the house investigating this matter, it is true; but that is a long way from having a dominion-provincial conference which brings all the provinces into the picture; because actually, this is a matter of national interest.

In looking further afield, I should like to quote from *Western Business* magazine for October, 1954, at pages 42 and 44, where I read as follows:

> One feature of the present expansion program which is cause for conjecture is the tremendous increase of electrical power now available to the company from Waneta.
>
> Total rated capacity of the four hydro plants on the Kootenay river is 329,000 h.p. Waneta can now produce 240,000 h.p.—a 73 per cent increase over former installation. A further increase of another 240,000 h.p. is readily available from Waneta.
>
> But what does the company plan to do with all this power? Surely, present installations and recent expansions could not absorb more than a small fraction of this new power plant which, combined with the rest of Cominco power, is greater than that used in the whole of the lower mainland of British Columbia and Vancouver island combined. The past gradual growth pattern of the Kootenay country provides no answer to this industrial detective mystery.

If that is true, we have 75,000 surplus horsepower in that area now. The Minister of Trade and Commerce (Mr. Howe) pointed out that we are bound at the moment to 500 miles maximum. I am not saying we shall not be able to find different ways and means of transmitting power over longer distances but he said we were bound at the moment to 500

miles. This statement says that the past gradual growth pattern of the Kootenay country provides no answer to this industrial detective mystery.

Mr. Byrne: Mr. Speaker, I rise on a point of order. The hon. member is quoting. I should like to know whether it is an editorial he is quoting from or whether it is the writing of someone who has contributed an article to *Western Business*. I think I am within my rights in wanting to know whom he is quoting.

The Acting Speaker (Mr. Applewhaite): I think the hon. member who has the floor has indicated from what he is reading. I think he has satisfied the rules of the house in that respect.

Mr. Leboe: Thank you, Mr. Speaker. I find that if the Kaiser dam were built, it would produce another 45,000 horsepower of electricity in that area. That would give a surplus of 360,000 horsepower in that area. It is agreed that we cannot just export electricity out of box cars or from aeroplanes or some such way. We have to run it out through wires and we have been limited as to how far we can get it out over those wires. It therefore means that the Kootenay country is destined to become one of the great industrial empires, perhaps, in Canada. We feel that is bound to come but I do not think it is going to come in the immediate future. We have to build for it. We have to build towards it. We have to find ways and means of using the power that is at present available to the people in that district. If there is a surplus of power in that area and if the Mica creek dam is going to control the water within a few years up above and will provide further horsepower, I do not know why we are worrying about electrical horsepower at this moment in that area.

From the proposal I understand that the British Columbia government has the possibility of getting a cash reward for the power that we have developed below the boundary. If we have more power than we will use for perhaps the next 30 or 40 years I cannot see any reason why we should not be getting a cash reward for that power. I would say that that 360,000 horsepower is 25 per cent of Canada's share of the initial development of the St. Lawrence seaway about which we hear so much. If any of the members want to speak about flooding, let us look at the St. Lawrence seaway and see what they are going to do down there.

Mr. Herridge: In Canadian interests; not in United States interest.

Mr. Thomas: You had better read that St. Lawrence seaway contract.

The Acting Speaker (Mr. Applewhaite): Order.

Mr. Leboe: We should look into this proposition to find out exactly what effect this Kaiser dam is going to have on the existing power supply of that district. I find that the West Kootenay Power and Light Company is part of the Consolidated Mining and Smelting Company of Canada and I find that 51 per cent of the common stock of Consolidated Mining and Smelting Company of Canada is controlled by the Canadian Pacific Railway. I can see where this bill could protect a monopoly in that area in electrical power from any competition whatsoever by the British Columbia government in supplying power in that district. I may be wrong but in this I can see a possibility that we have here a third answer, and maybe the most important one, as to why this bill is being brought in. If we have a surplus of 360,000 horsepower available to us there from existing installations and the construction of the Kaiser dam, that represents a great deal of power. As was pointed out in the article that I just read, it is far more than they have in the lower mainland and Vancouver island combined as of the present date.

I do not want to dwell too much longer on this question but I should like to say again that it is of significance—and I should like to emphasize this—that General McNaughton recommended certain things to the British Columbia government and they accepted or followed out his recommendation. We now find that this bill is being brought in to block the Kaiser dam proposal. There is no question about that in my mind. I should like to say again and to emphasize that this thing should be brought before a dominion-provincial conference and should be settled around a conference table. It is something which will have far-reaching effects into the future for many generations. I can see no reason for holding a club over the head of anybody who is doing the job that he is supposed to do.

If British Columbia or any other province is developing their natural resources in the best interests of the Canadian people, why do we have to stand over them with a club and embarrass provincial governments that are performing these functions? Quite sincerely, I would say this. In looking over the recommendations of the men who are on that committee I find that Mr. Anderson, of the West Kootenay Power and Light Company, was the only one who voted against the proposed dam. Why would he not vote against it?

Mr. Herridge: The union of workingmen is also opposed to it.

Mr. Leboe: I just want to point out that this man is vice-president of the West Kootenay Power and Light Company. Why should not a man in that position vote against it? I am using only reason. Why should he not vote against it? This extra electrical power that is supposed to be developed for British Columbia is going to be in competition with power developed by the company of which he is vice-president.

I think we have to look at all sides of these questions when we are bringing them before the people of this country. I can see no better way of doing it than through the dominion-provincial conference which is going to be called anyway. We might as well extend it a little bit and have these things ironed out in the interests of all the provinces, and not just one or two. I think this procedure would serve us better than firing brickbats at one another.

Mr. Byrne: Will the hon. member permit a question?

Mr. Leboe: Sure, I can answer any question you ask, and if not the hon. member for Kootenay West (Mr. Herridge) can help me.

Mr. Byrne: I am asking the hon. member if the Columbia basin advisory board set up by the provincial government gave their consent and their wholehearted agreement to this arrangement before the agreement was signed?

Mr. Leboe: General McNaughton was on that, was he not?

Mr. Byrne: No, he was not a member.

Mr. Leboe: To which board are you referring?

Mr. Byrne: The board set up by the provincial government; did they sanction this agreement before it was signed by the Kaiser Aluminum company and the Hon. Mr. Sommers?

Mr. Leboe: I think possibly, as Mr. Speaker pointed out, some of these questions can be best answered in the committee.

Mr. Herridge: I rise on a question of privilege, Mr. Speaker. The hon. member for Bow River (Mr. Johnston)—

The Acting Speaker (Mr. Applewhaite): Order.

Mr. Herridge: I rise on a question of privilege. The hon. member for Bow River has just said that my election expenses were paid by the president of the West Kootenay Power and Light Company.

[Mr. Leboe.]

Mr. Johnston (Bow River): I said no such thing. Since you have brought it up, how much did he contribute?

Mr. Herridge: I want that withdrawn at once.

Mr. Johnston (Bow River): I did not make such a statement. I might just ask him now, since he brought it up, how much did he contribute?

Mr. Herridge: I want the inference withdrawn.

Mr. Johnston (Bow River): You created an inference.

The Acting Speaker (Mr. Applewhaite): The hon. member for Bow River has just said he did not make that suggestion. The hon. member for Kootenay West will have to accept the explanation offered by the hon. member for Bow River. I must confess that at this distance I heard nothing at all from the hon. member for Bow River. I, therefore, must also accept his denial that he made such a statement.

Has the hon. member for Cariboo (Mr. Leboe) completed the answer to that question?

Mr. Leboe: I believe the agreement was signed on November 17.

Mr. Byrne: No, September 17.

Mr. Hansell: It does not make any difference.

Mr. Leboe: As I pointed out in my speech, there was a memorandum of agreement between the people and the recommendation was carried, not unanimously, but with only one dissenting.

Mr. Dickey: May I ask the hon. member a question? What does he understand by a memorandum of agreement?

Mr. Leboe: Pardon?

Mr. Dickey: What does the hon. member understand a memorandum of agreement to be?

Mr. Leboe: I think I can answer that question because I have been mixed up in more than one of them. That is a preparation for a final draft, and you work on that basis; is that not right?

Mr. Dickey: No, a memorandum of agreement is the final agreement.

Mr. Leboe: I know it is not.

The Acting Speaker (Mr. Applewhaite): Order; the hon. member for Fraser Valley.

Mr. A. B. Patterson (Fraser Valley): Other members who have already spoken in this debate, Mr. Speaker, have emphasized the

far-reaching implications of the particular bill that is before us. I might say that I am in full agreement with those statements concerning the wide implications of this measure. We are all aware, I think, of the importance of water resources to the economy of our nation. I believe we are all desirous that those resources be developed in the best interests of the people of Canada as a whole. When we consider this bill before us, therefore, I feel we can at least credit ourselves with sincerity of purpose and consider the matter as it is presented to us.

I believe the importance of this measure is emphasized by the fact that the government has seen fit to place it in a top priority position on the agenda of the house. We could possibly feign innocence and ask why the measure was placed there, but I do not believe anyone is under any illusion as to the purpose in introducing it now. The hon. members for Vancouver-Quadra (Mr. Green), Kootenay East (Mr. Byrne), Okanagan-Revelstoke (Mr. McLeod) have presented the situation to us. There has been no attempt on the part of the Minister of Trade and Commerce (Mr. Howe) to prove that the purpose of the measure was not to block construction of the Kaiser dam.

I believe there is one phase of the problem that is now before us that is of special interest, and I want to deal with it now. I refer to the hydroelectric potential of the province of British Columbia. We have had a great many submissions in regard to the development of power, but reading from "Water Powers of British Columbia", which is published by the department of lands and forests, I find the following on page 9:

> With the establishment and growth of industries in British Columbia came concurrent need and demand for development of power. From 1910 to 1920 the amount of developed horse power rose from 65,000 to 310,000. During the next 10 years, by 1930, the figure had more than doubled to 630,000 horse power, and, despite the depression years, had risen to 789,000 in 1941.

I continue to quote:

> The 5 years since 1947 have resulted in the most spectacular growth in the province's history, with an increase from 864,000 horse power to 1,390,000 horse power. Developments already under construction will provide an additional 2 million horse power, emphasizing the important part being played by water power on the economy of the province.

I understand that at the present time the production of power stands at approximately 2,173,000 horsepower. And so, as we consider this, and as we think of the developments in British Columbia, we can understand how important and how significant this bill is in our particular situation. We think of the tremendous possibilities of the Columbia system. We find that figures are given to us indicating that the Waneta No. 1 dam can be brought up to its full capacity of 500,000 horsepower, that Waneta No. 2 can be developed giving an additional 500,000 horsepower, that the potential Mica at-site power is 800,000 horsepower, that the Downie creek at-site potential is 500,000 horsepower, and so on. There are several other developments all of which greatly increase the power development in that particular area.

And, in connection with development, I have here an article from the Montreal *Gazette* of January 12, 1954, which states:

> British Columbia's undeveloped hydro potential is about as large as the total hydro power now developed in Canada, Dr. Albert E. Grauer, president of the British Columbia Power Corporation Ltd., said here yesterday.

Of course this was said about a year ago. It continues:

> Dr. Grauer told the Canadian Club of Montreal that the Columbia river in the southeastern part of the province and in the United States "permits perhaps the world's outstanding hydro development."
>
> This project, he said, has "an eventual installed capacity of close to 50,000,000 horsepower."

And then again, in the Ottawa *Journal* of March 1 of last year we have reference to the construction of the proposed Mica creek development, where it says:

> The British Columbia scheme envisions a dam on the upper Kootenay river to back part of its water across a narrow gap into the Columbia river watershed. This would increase the flow on the Columbia river, where the main dam would be constructed. The estimated power development is 40,000,000,000 kilowatt hours annually, compared with the estimated 12,600,000,000 kilowatt hours annually to be secured from the St. Lawrence power project at Barnhart island.

And it goes on to say:

> General A. G. L. McNaughton, chairman of the international joint commission Canadian section, supports the Canadian development as desirable for this country, and believes that the federal and provincial governments could work out arrangements for financing.

This was in connection with the Mica creek development. As we continue to consider the potential of British Columbia in the matter of hydroelectric development we think of the potential of the Fraser river. We have not heard much about it up to the present time, but there is a tremendous power potential on that river.

I have here an article headed "The Fraser River Project" from the *Fraser Valley Record* of December 9, 1953—which is a little outdated, perhaps. However, it says:

> "As a source of energy the Fraser river must be considered the mainspring of British Columbia. Its wise exploitation represents one of the greatest and most thrilling hazards that lie ahead." These are the words of Dr. Harry V. Warren, professor of mineralogy and petrology, U.B.C., as reported by R. A. Francis writing in "Canadian Business" for October.

International Rivers

Three main dams would be the basis of the project, at Lillooet (130 feet), Moran (750 feet) and Cottonwood (250 feet). It is estimated that the Moran dam alone could develop up to 25 per cent of the total hydro power now developed in Canada. The site at Moran, according to Dr. Warren, could develop one-quarter of the capacity of all hydro plants installed in the United States between 1930 and 1950. The installed capacity of the Moran plant would be of the order of 3 million horsepower compared with 2·2 million horsepower estimated for the St. Lawrence seaway.

I should like also to call attention to a very interesting publication called *A Plan for Tomorrow*, issued by the dominion-provincial board of the Fraser river basin. The article is headed "Flood Control and Water Power" and states:

The Fraser is a Canadian river. Although a small portion (177 square miles) of its drainage area of 89,487 square miles lies in the United States, the Fraser river itself is contained entirely within British Columbia and, with its tributaries, comprises the greatest potential source of power in the province. Estimates of the total hydro-electric potential of the Fraser have been steadily revised upward as more and more specific information is gathered. At the present stage of investigations it appears not unreasonable to expect the total potential to approach 10,000,000 horsepower.

It goes on to designate the various areas where that power can be generated. This shows something of the potential of the Fraser river in British Columbia.

Would you call it six o'clock, Mr. Speaker?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Patterson: Mr. Speaker, during this debate we have been hearing a great deal about the facts in connection with the Columbia river development. Of course, as we know, that is the project that comes into this particular debate in a very real sense. Just prior to the dinner hour I was bragging a little bit about the power potential of the Fraser river. I referred to the fact that the potential had been estimated at 10 million horsepower. We have referred to these two, and then we think of other tremendous developments in the province of British Columbia. We have all heard of the Kitimat development. I understand that the power output there at the present time is around 450,000 horsepower, but the potential is 2,240,000 horsepower. There is also the Frobisher possible development in the northern section. We find that in the first stage of that development they expect the power production to be around 880,000 horsepower and by the time they reach the third stage in that project it will be 2,800,000 horsepower. Right on the coast there is another project that is being contemplated. Then there are the Waddington plans. If the Waddington Mining Corporation is granted a permit they will proceed with a great power development by the construction of dams at the Chilko lake, and the development will produce 500,000 horsepower. These are just illustrations of the great power potential of the province of British Columbia.

In a table prepared by the bureau of economics and statistics of the department of trade and industry of the province of British Columbia we find that the province is divided into ten regions, giving the developed horsepower and also the undeveloped possibilities. In the East Kootenay the developed power at the present time is 27,700 and the undeveloped 295,700.

Mr. Winch: Of what?

Mr. Patterson: Horsepower. These are the developments and also the undeveloped capacity of those areas. All of these figures represent horsepower. On the West Kootenay, which takes in the Columbia, 678,370 horsepower is developed at the present time and the undeveloped is around 10 million horsepower.

Mr. Winch: Kilowatts or horsepower?

Mr. Patterson: Horsepower.

Mr. Winch: It makes a big difference.

Mr. Patterson: These figures are all horsepower. On the Okanagan 7,800 developed and 2,000 plus, undeveloped; on the lower mainland, 445,450 developed, and 543,500 undeveloped. I will leave out Vancouver island. On Kamloops-Lillooet, developed 248,000; undeveloped, 2,178,370.

Mr. Winch: Still horsepower?

Mr. Patterson: Yes. In the central mainland coast area, 88,100 developed, 1,276,000 undeveloped; central British Columbia, undeveloped, 1,102,400; northwest British Columbia, in which we find the Kitimat project, 427,650 developed; undeveloped, 5,312,520. Data have not been prepared for the Peace river but I understand there are tremendous possibilities on the Peace for the development of hydroelectric energy. Therefore, we find that the developed horsepower totals 2,173,620 and the undeveloped 22,759,600, plus the capacity of some of those that have already been developed to bring them up to capacity, which would increase it by 2,450,400, making a total of 4,624,020 developed. By adding these two figures together we see the possibilities of hydro-electric development in British Columbia. I might say that there are vast possibilities that have not even been surveyed up to the present time.

When we think of the relative position of this Kaiser project and when we think of the potential of British Columbia, it seems to me that it is just a comparatively small link in the development of the tremendous power potential of the province that will assist rather than defeat the goal of optimum development of our natural resources.

What the Kaiser corporation gains under the proposed deal would eventually, as we have been told this afternoon, be obtained by the construction of the Mica creek dam; but they are prepared to make this investment for speedier attainment under controlled flow. In the meantime, British Columbia is going to reap the benefits of over $1 million in financial and power returns. We are also reminded of the fact that the whole plan can be renegotiated at the end of 50 years and other arrangements made, if desired.

The Minister of Fisheries (Mr. Sinclair), as reported in the *Province* of November 8, is supposed to have said that the Social Credit party was a new government and Ottawa let them feel their way, but he said that the time has come to answer Mr. Bennett. That is, shall I say, a very paternal attitude for the minister to take in regard to the province of British Columbia. But may I suggest that in the two and a half years or so that the British Columbia government has been in office it has felt its way farther along the path of progressive, sane and sensible government than the previous government did in 22½ years.

Mr. Byrne: That is a matter of opinion.

Mr. Patterson: I feel that the provincial government is better qualified to handle this proposition and handle its own affairs than any aggregation of politicians 3,000 miles away.

This afternoon the Minister of Northern Affairs and National Resources generated a lot of heat but no power or light. Referring to the fact that this bill was going to be handed over to the committee, he said we would be able to get a lot of answers. If I took his words down correctly—I do not write shorthand; sometimes I wish I did—he said something like this: there the experts will describe why this is a bad deal, in my opinion. Apparently he is going to have the experts present his opinion. Anyway, that is the way it looks.

Mr. Johnston (Bow River): That will be some help.

Mr. Patterson: When the hon. member for Lethbridge referred to the possibility of the United States receiving some benefits from this particular project, again the Minister of Northern Affairs and National Resources spoke out and said, "That is it; that is it." I did not know just how to take that. I was not sure how I should take it at that time, but it seems to me that he was implying that we should not do it because it was going to help out somebody else.

We have heard a lot about developing natural resources in the best interests of Canada. We have heard about our international obligations, how we have to get along with our friends to the south; and I do not think we should take, shall I say, a dog in the manger attitude and say, "We won't need this power just now, we do not need it ourselves, but we are certainly not going to let other fellows benefit".

I am sorry the hon. member for Victoria, B.C., (Mr. Fairey) is not in his place tonight. He was in my riding some time ago, late in November, because I have here a report which appeared in the Abbotsford, Sumas and Matsqui *News* of December 1. This is the report:

> Liberal government in Ottawa will block the Kaiser dam deal proposed by British Columbia's Social Credit administration, because Liberal policy will always oppose "giving away any natural resources that are needed for development in Canada, in order that our youth may benefit from that resource."

I would like to ask the hon. member, Who is giving away what? Without jeopardizing future developments British Columbia is allowing the Kaiser corporation to erect a low-level dam to regulate the flow of water that goes over the border anyway. Without the investment of a dollar they will receive in return power and payments amounting to over $1 million. So I say, who is giving away what in that deal?

The hon. member for Victoria, B.C., referred to the fact that our youth might benefit from that resource. I should like to ask what the youth of Canada have reaped from 20 years of Liberal rule—unemployment, lost markets and taxation. I think our national debt now requires an annual payment of $500 million in interest. I was reading somewhere the other day that across the border someone said that if they passed along their national debt to the oncoming generation it would mean the end of ancestor worship as we know it. That is true, not only across the border but here in Canada.

An hon. Member: Oh, oh.

Mr. Patterson: I hear some strange sounds from over there. Some hon. member is mumbling in his beard. I believe that this bill is intended to wrest from the province of British Columbia powers which rightly

belong to it. This bill is designed to discredit the Social Credit government of British Columbia by blocking plans for progress and development which it is proposing. This bill is the fulfilment of threats made by federal cabinet ministers and others that the federal government would introduce legislation to block this particular deal.

I feel that this bill is an insult to the government of British Columbia and an insult to the people who elected them by charging them with incompetence, lack of concern for the national and provincial interests and with submitting proposals to sell out the resources of the province to others.

I feel that this matter should be considered most carefully. I believe the government ought to give further consideration to this and withdraw the bill. I know that it is going to make them more unpopular across the country than they are at the present time, and in the province of British Columbia they are not very popular. So I would suggest that the whole matter be reconsidered and the bill withdrawn.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I think I must be getting soft in my old age, or perhaps it is the fact that there arrived today at my daughter's house in Vancouver our first grandson. Then again it may be the double peacemaking effect of the return of the right hon. Prime Minister (Mr. St. Laurent) and the Secretary of State for External Affairs (Mr. Pearson). I am going to try my very best tonight to do a little bit of peacemaking. I think the vein which this debate has taken is a bad thing for Canada, is a bad thing for British Columbia, and is a bad thing for this house.

I believe that we are dealing with very serious issues. I cannot refrain from saying that perhaps I am slipping a bit when I see the smiling face of the hon. member for Peace River (Mr. Low). I have been waiting around for two whole years to make a speech on Social Credit, but I have not yet found one Social Crediter who is willing to make a speech on Social Credit. They are all ready to speak on anything under the sun but Social Credit. And so my speech is there waiting for that time when they dust it off and bring it out.

I am beginning to believe that there is only one real Social Crediter in the whole Social Credit group in this house and that is the hon. member for Lethbridge (Mr. Blackmore), for whom I have found a soft spot in my heart although I am a bit confused. A couple of years ago he used to be talking about the international bankers, then a year later it was the Turko-Mongolians, and now it is the Rhodes scholars. I have a bit of trouble keeping up.

When I hear my hon. friends of the Social Credit party waxing so deeply and religiously indignant about the iniquitous Liberal party trying to play politics over this Kaiser dam, my thoughts go back to my boyhood days. I was raised in a family of 13 children, eight boys and five girls, which made it about equal. I always found that when it came to an argument with a sister I never could win. I am reminded very much of Social Credit. When a fight would start my sister would run upon me like a little hell cat; she would raise her arm like this and bring the point of her elbow down on my cranium with a resounding crack, and the minute I drew my fist back to do something about it she would raise her hand and say, "Don't you dare hit a girl, you coward," and she would make her getaway.

What we are dealing with here is not the Kaiser dam but a very important national responsibility. I have heard hon. members of the group in the extreme right of the house say that what we should have is the dominion government sitting down with the government of British Columbia. I would have you remember, and I am sure the hon. member for Peace River (Mr. Low) remembers it very well, because he sat in on three meetings of the committee, that the committee on external affairs met last year on May 12 and 13.

We had before us to give evidence that great business statesman General McNaughton. Whatever our opinions on party politics may be, every Canadian of every age and political persuasion should be glad that we have such a competent man representing us in the deliberations of the international joint commission. The hon. member for Vancouver-Quadra (Mr. Green) was asking the general about this business of the province perhaps going ahead and doing something which the international joint commission might not want them to do. Here is the general's answer as reported on page 174 of the evidence:

> Q. The dominion government would take no part in the construction of these developments?
>
> A. The federal government of Canada has the over-all responsibility of negotiations with the United States. It is very essential that the negotiations in regard to the benefits that come from the regulated water and controlled flow, and so on, should be settled and will have to be settled before it would be wise for the provincial government to authorize someone to go ahead and build it.

I would ask any hon. gentleman opposite whether that is a fair statement, and whether that was the framework on which we should have proceeded. That fitted in with federal

and provincial views in the over-all plan which was being conducted by our representatives at the international joint commission.

Here is an extract I would particularly draw to the attention of hon. members.

By Mr. Green:

Q. I have seen a newspaper report to the effect that the Kaiser company of the United States is planning to dam the Arrow lakes at some point. What are the actual facts about that proposal?

A. I cannot give you a great deal of information on that subject. A report came out in the newspaper under date of February 22, 1954. I had been the previous day in British Columbia for consultation with the British Columbia committee on the Columbia. I had a very bad cold and I went up north to try to shake it. I did not know about these conversations until I got back to Ottawa. Whatever announcement has been made, has been made by authority of the British Columbia government.

I would simply point out to you, Mr. Speaker, and to hon. members that within one day of the time General McNaughton specifically went to British Columbia for the exact purpose of concluding these plans—and there was none of the conflict which some hon. members now say exists—an announcement was made through newspapers in British Columbia that this deal was under way.

I would further draw your attention to page 188 of that same evidence where General McNaughton made it very clear that the representatives of Canada on that international joint commission were and still are engaged in the most delicate kind of negotiation with their opposite numbers in the United States. This is his evidence as reported at page 188:

That is a contention which neither the Canadian members of the commission, the government of Alberta nor the government of Canada, speaking through their counsel, are prepared to accept. The result of that was that when this matter for the third time was put before the commission at our meeting in April (1954) in Washington, and after a very heated discussion, we indicated that we were prepared to close the reference . . .

I have read that, Mr. Speaker, simply to remind hon. members that this parliament of Canada and this government of Canada, which is the servant of parliament, has for close to 50 years had a treaty governing boundary waters, and that we have set up as our servant a Canadian section of the international joint commission.

In addition, for over ten years—I believe from 1943—that international joint commission has been studying the entire question of waterpower development on the upper Columbia and Kootenay river, and these negotiations at this very moment are at a most delicate stage, and a stage at which the slightest upset can destroy the work Canada has been doing for many years.

I cannot stretch my imagination to the extent displayed by the hon. member for Macleod (Mr. Hansell) the other day when he foresaw a second string Conservative party coming in to substitute for the older Conservative party. I frankly confess I cannot foresee the day when a Social Credit government will take power in Canada, though I frankly confess I did not foresee it taking power in British Columbia.

However, I would simply point out to Social Credit members that if the day ever came when they would take power in Canada they themselves would require the very legislation we are asking this house to pass tonight, because we are dealing with a very serious issue indeed and we require the protection this bill is designed to provide.

The issue is quite simple and it is that when we set up a Canadian section of the international joint commission to represent Canada we sought to represent not the British Columbia government, certainly not the Social Credit party; not the government of Canada as it happens to exist at the moment, but the Canada of today, the Canada of tomorrow, and the Canada for all time to come. The preservation and protection of the natural resources of Canada is our most sacred obligation and should be the primary concern of this house.

I am a little disappointed in most of my hon. friends opposite with the exception of the hon. member for Lethbridge (Mr. Blackmore), who is a congenital optimist. As regards the others, I was disappointed because of the deep strain of blue-ruin pessimism which seemed to pervade their thinking.

What is the truth about British Columbia? The truth is that in British Columbia—that last best west—we have the greatest unharnessed horsepower in the entire world. Far be it from me to get into the statistical tangle indulged in by the hon. member for Fraser Valley (Mr. Patterson), because I confess that after hearing him I thought he was talking about the A plus B theorem of Social Credit or something equally complicated or abstruse. I will simply content myself with the assertion that in British Columbia we have the greatest block of unharnessed horsepower in the entire world.

Any student of economics who studies the plain development of the past half century, or even reads the speeches of the Minister of Trade and Commerce (Mr. Howe), will readily see that in 1920 we had developed only 5·6 billion kilowatt hours, and that this has now gone up to 70 billion. Despite this massive power many hon. members, including the hon. member for Lethbridge, adopt a defeatist attitude and decline to recognize

the facts. They ask, "What can we do with all this power?" And reply, "Let us sell it at bargain basement rates to Mr. Henry Kaiser in the United States, or anyone else who will take it off our hands."

This attitude is beyond comprehension. Any student of economics who has studied the history of this century knows that industry goes to power. You do not take power to industry. My hon. friends then say that we cannot develop power in Canada for the benefit of Canada until we have a market in Canada for all that power.

But is it or is it not a fact that we did not have a single market in Canada large enough to absorb the enormous Kitimat development? What we did was to take industry to the power. I will make a prediction for my hon. friends and it is that, regardless of what party is in power in Ottawa, and regardless of what party stays in power in British Columbia, the time will come when we will require every kilowatt hour, every single horsepower, and all of our energy, and we will require it in Canada and in British Columbia for the benefit of British Columbia and for the benefit of Canada.

I can recall—and this makes me remember how old I am now getting—doing my little bit to bring the Liberal government into power in Ontario 22 or 23 years ago. That Liberal government of Ontario made a tremendous mistake because it thought it had too much power on hand and it took steps to get rid of the power they had on hand. Before many years were out it would have paid a king's ransom to get back that power which the provincial government so foolishly sacrificed. I therefore make the prediction that the time will come when we shall want all of our power. The best economic thinkers say that you can develop $100 worth of value and one hundred times the jobs for every one of your harnessed horsepower. The time will come when we shall need this great block of undeveloped power on the upper reaches of the mighty river Columbia which starts in Canada, then flows north in the form of a huge question mark and finally goes down into the United States. The time will come when we shall be glad to have every horsepower of that power, and every horsepower will be giving jobs in industry in this great Dominion of Canada.

To the hon. member for Okanagan-Revelstoke (Mr. McLeod) I would say that I am astonished to hear him say that all we can do is to ship it 50 miles away across the border into the United States. He should think of that beautiful little city of Revelstoke and those beautiful cities of his in the upper Okanagan valley. Every one of them should have secondary industries in them with cheap power. Cheap power is the greatest factor in getting your secondary industries located. When it comes to the matter of power, I believe in Canada for Canadians. I believe that this bill makes it absolutely certain that the rug is not pulled from under General McNaughton and the international joint commission. When we send General McNaughton and the other Canadian members to the international joint commission I believe we should see that they have the tools to do a proper job for Canada and that nobody cuts the ground from under their feet or undoes their work behind their backs.

Mr. O. L. Jones (Okanagan Boundary): Mr. Speaker, I had not intended to speak on this subject tonight but in view of the fact that the Columbia basin covers the Okanagan valley, of which I am the representative, I think I should say a few words although already all the speeches that have been made have disclosed to the house the vital necessity of the development of the Columbia river basin. I think the members who have spoken have done an excellent job of showing the house what the scheme means to Canada and also what it means to British Columbia. But to my mind there are several questions which are still unanswered.

One of them is the constitutional question posed by the hon. member for Vancouver East (Mr. Winch). I think that probably is the most serious one. Do we or do we not have the power to impose this bill on the province of British Columbia? I feel that the matter should either be referred to the supreme court for judgment or that the attorneys general of the various provinces should be called before the committee to disclose their point of view and the government should have their attorney general there at the same time. I think that is the only fair way to deal with the subject. Obviously there is a conflict of view or a doubt as to the legality of this bill in the minds of many members of this house.

The other question that I feel is still left unanswered is this. Why produce the bill at all at this present time, at this particular moment when British Columbia is starting to carry on its own development? I should also like to know what is the status of those projects already completed and operating in British Columbia. I would refer to irrigation projects and power projects. This bill is retroactive and can deal with them, as the hon. member for Vancouver-Quadra (Mr. Green) pointed out. What is to be their status in the future when this bill is

passed? That is something that I should like to know. I hope the committee will be told exactly of any dangers that may face them or any proposed changes in the operation of those projects, or what control is going to be exercised over these projects that up until now have lacked that control and have, to my mind, done a fairly good job. I refer especially to the irrigation projects. I feel that this bill should have been introduced a long time ago. If there was something lacking in the laws of Canada, then somebody has been slack on the job in not finding it out before now.

I was rather surprised to hear the hon. member for Okanagan-Revelstoke (Mr. McLeod) the other night bringing in politics. As reported at page 886 of *Hansard* he said:

> My great opposition to the bill is that I believe it is nothing more or less than a political instrument used by the government to thwart the province of British Columbia in a development which the people have a right to expect.

Mr. Speaker, I would hate to think that assumption is correct. It is true that the production of the bill now gives ground for that assumption and possibly the present government is to blame for it. It is something that should have been settled, as I pointed out, years ago. Then this assumption would not be made at the present time because it coincides with the efforts of the British Columbia government to develop this particular project.

To my mind it is too vital and important a subject to play politics with. I do not feel that the Social Credit government should take umbrage at the action of this government because they are not the first government of British Columbia that have been turned down on an application for a similar project. There was an instance some years ago and it was not a Social Credit government.

We in the Okanagan valley are greatly interested in this matter. We know the value of water. As a matter of fact, we live in an area that would be a wilderness but for the control of water for irrigation and we know what more water and more conservation could still do for us. We could easily double the acreage that we now have under fruit and vegetables. We are anxious to know what is going to happen to the water reserves of our province because with double the water used in the Okanagan we would have little surplus left for export—that is from the Okanagan river and the Similkameen river—to any state in the union.

I would point out to the house—and I should like to compliment the Minister of Northern Affairs and National Resources (Mr. Lesage) for it—the letter he sent explaining the government point of view. It is completely opposed to the view placed before the house by our Social Credit friends. I think it is only fair to place it on the record. He explains the matter in five points. The first one is this:

> Construction should not be planned until completion of the current survey of the Columbia river.

I think that is a fairly reasonable suggestion, Mr. Speaker, because for the last ten years the government have been making an excellent and laborious survey of the whole area and it takes in thousands of square miles; and it will probably be two more years before that work will be completed. It seems to me that if the twelve years' work carried out by this group of engineers is to be discarded entirely, we are at fault and we have been wasting money. The other point he made is this:

> The so-called Kaiser dam will be only a minimum project and will preclude a more extensive development of the most natural storage reservoir in the whole Columbia basin.

That point is a most excellent one. I should like to know from our Social Credit friends whether this particular individual project fits in with the over-all plan envisioned by the joint commission or is it going to be a thorn in the flesh for all time to come with respect to the greater development envisioned by the joint commission?

Mr. Blackmore: It fits in all right.

Mr. Jones: I am glad to hear the hon. member say that.

Mr. Blackmore: It does no harm.

Mr. Jones: The next point is:

> It will endanger the much larger Mica creek development on the Big Bend because the two dams will compete against each other to meet the same demands for power.

Mr. Blackmore: He cannot prove that. He does not prove it.

Mr. Jones: I cannot. He goes on as follows:

> It will have an unfavourable effect upon the Canadian aluminium industry, including Kitimat, because it will make power available from Canadian storage for use by industry in another country at a price little more than half what it costs a Canadian producer.

If that is correct, and I presume the minister has studied the subject, then it seems to me that someone is breaking faith with the company now operating at Kitimat and making it possible for a competitor to get cheaper power, thus cutting the price in a market which will eventually be served by both companies.

I continue the quotation:

> Instead of the proposed 20 per cent B.C. should receive about 50 per cent of power generated

through water stored in Canada according to the precedent set in negotiations between individual states south of the border.

The minister explained that this afternoon, so I have nothing to add to what he said. I thought he made a logical case. If we supply the water, we are entitled to more than 20 per cent. There may be difficulty in getting that 20 per cent exported in the form of power to Canada without a licence from the United States.

I should like to point out that the Columbia river is the fourth largest river in North America. In its basin lies possibly the greatest undeveloped potential for power in either North or South America. The Columbia river discharges 180 million acre feet annually into the Pacific. For comparison, the St. Lawrence river empties 220 million acre feet into the Atlantic. Now, I am going to quote General McNaughton on this comparison:

Head and flow combined give power, and on this aspect of comparison it is now estimated that the Columbia in Canada and the United States may eventually have an installed capacity in excess of 34 million kilowatts not including pumping power for irrigation, as compared to the St. Lawrence eventually at Sault Ste. Marie, Niagara, Barnhart, Beauharnois and Lachine, all taken together, of about 7½ million.

We are just awakening in British Columbia and possibly in Canada to the fact we have a vast storage of undeveloped power in the Columbia basin. I am glad that efforts are being made to develop that power. I had hoped that there would be greater co-operation between our province and the federal government to get the most satisfactory development possible. It is for that reason I am glad this bill is to be referred to a committee where we shall have the views of expert engineers, and I hope legal experts on the legality of the proposed measure. I believe we should hear too from representatives of provincial governments, including British Columbia. In discussion we are apt to overlook the fact that other provinces are involved. I feel that British Columbia in particular should be invited to attend to give evidence, and possibly have the attorney general state their case.

It seems this dispute between British Columbia and Ottawa arose possibly through the failure of the British Columbia government to co-operate with the international joint commission. Whether it was done deliberately or thoughtlessly I do not know, but apparently that was the start of the dispute. I believe the international joint commission is operating in the best interests of the federal and provincial governments of Canada, possibly in the best interests of all Canadians. If the proposal of British Columbia to develop this dam at Castlegar fits into the over-all planning, there is no reason to block the arrangement for the development by the Kaiser interests. If, on the other hand, these plans are not in the best interests of Canada as a whole or are a breach of the over-all scheme to develop the Columbia river area, then the joint commission or the government should step in.

I feel the commission is operated on that basis, to assist the provincial governments and not thwart them. I would hate to regard the commission as a political instrument. In support of the objective of the joint commission, I should like to quote from a speech made recently by the chairman, General McNaughton, in Montreal:

Meanwhile, it will be well to remember the vastness of the issues which are being determined in the Columbia basin and the vital consequences which the decisions will have on the future of industrial development and its placement, whether in Canada or the United States. It will be well also not to forget article 2 of the treaty of 1909 and the physical fact that natural topographical advantages for the storage of water are assets just as real as are the minerals from the mines and the products of the fields and forests. Actually storage for water is far more precious than the most precious of mines, for the reason that the flow of water will go on for ever whereas minerals are a wasting asset, used up in being put to use.

Another quotation from the same speech, again bearing out the plans this body has in the interests of the whole dominion, is as follows:

In the course of my remarks—

General McNaughton says—

—I have mentioned some rather large figures of power to be generated and made available, and there is much more also at sites along the boundary at places which I have not had time to describe to you today. But, please do not think that this means there is going to be power in Canada which will be surplus and to spare. This is certainly not the case, for the most carefully made predictions show that only a comparatively short time remains until we may expect that all our economically available hydro power will be in use.

As I have indicated, much of the hydroelectric power of North America is on rivers which constitute the boundary or flow across the boundary, and so the development of this power is the concern of the international joint commission. I assure you that it is the purpose of the commission to effect arrangements between the two countries which are not only equitable but which we hope will be recognized as such by the peoples of the two countries.

Finally, he says this:

Even more important, this treaty—

Referring to the boundary waters treaty of 1909.

—seeks also for the future to dispel trouble and prevent disputes. This it does by providing, in the international joint commission, a continuing mechanism with a comprehensive set of agreed principles of general application through which any problem along the boundary, of whatever sort, not only of water, can be brought under

review at its inception and, we hope, before danger might arise that the problem might magnify and enlarge through controversy to an extent which would create issues and disputes to alarm and embitter public opinion in either country, thus making eventual solution increasingly difficult.

I believe, Mr. Speaker, that is the role of the international joint commission at the moment. They should take this problem under their wing, study it carefully as to the legal and other implications, and advise what is in the best interests of the people. I would ask our friends to the left for the co-operation of the British Columbia government with the federal government in developing their joint interests. These interests are joint. Both governments are responsible for taking care of our vast inheritance of natural resources. They are both equally responsible to the future generations of this country for seeing that these resources are not wasted in any way. This calls for national planning, not localized planning or the hit and run method we have known in the past years in connection with our natural resources, chiefly pulp and paper and, I am afraid, some waterways as well.

In conclusion, I hope the bill will be given the respect it deserves in committee by inviting all the people from every province who might be concerned, and by getting the best possible legal advice to serve the committee. It should also have the benefit of the presence of General McNaughton himself, to answer some of the very interesting questions that remain unanswered.

Mr. G. W. Montgomery (Victoria-Carleton): Mr. Speaker, I am not going to take very long in this debate, because I do not want to become involved in any dispute between parties sitting to my left and the government. I am not particularly concerned whether or not a dam is built on the Columbia river—although thus far the debate has been directed to that one province.

There is something however that is causing me some concern. When outlining the objects of the bill the minister said it did not apply to the Saint John river in New Brunswick, and he implied further that it did not apply to any other rivers, except, I believe, the Milk river. I cannot say whether that is in British Columbia or not.

An hon. Member: In Alberta.

Mr. Lesage: On a point of order, may I correct the hon. member. The Minister of Trade and Commerce (Mr. Howe) never said that it would apply only to the Columbia river and the Milk river. As a matter of fact there are in Canada about 20 rivers which would be affected by the bill, under the conditions set out therein. But as I said this afternoon, the Saint John river could not be affected.

Mr. Montgomery: I was attending the sitting of a committee, and was unable to be in the house this afternoon, so that if this was pointed out I did not hear it.

But even if that was said, I am still uneasy. I do not accept the interpretation offered us when the bill was introduced, and I wish to put my objections on record in the hope that when the bill goes to the committee it will be framed in more specific language. I want it plainly understood that I am not objecting to the principle involved. However, I think it will be found by anyone who reads *Hansard* that when the minister outlined the objects of the bill he said that so far as he knew it did not apply to the Saint John river.

Anyone reading the measure will see that it refers to water running from a point in Canada to a point outside Canada. Part of the headwaters of the Saint John river rises in Quebec, and flows into the state of Maine, thence northward joining waters that form the international boundary. Is it considered that when water forms part of an international boundary it is not water flowing out of Canada?

The minister may not intend that this measure should apply, and no doubt it would not be made to apply; but if the measure reaches the statute books in its present form I am afraid that it could be so interpreted. Therefore when the bill is in the committee stage I suggest that it should be made more specific, and the interpretation of what constitutes an international river should be set out more clearly, so that there could be no doubt about it. It would be preferable to have rivers like the Saint John and the St. Croix listed as exceptions.

This is the point I wished to bring to the attention of those hon. members who will serve on the committee. If it is not the intention to have the measure apply to the Saint John or the St. Croix rivers, then action should be taken to ensure that it shall not apply.

The St. Croix is a small river forming the international boundary between New Brunswick and Maine, but most of the water forming the river rises in Canada and flows into the Chiputneticook lakes. At the mouth of the river is the St. Croix Paper Company operating a large plant in the state of Maine. They depend upon this river for their water power. The cotton mill located nearby in Canada is in the same position. There are five dams on the river, and I point out that under this measure there would be power to destroy those dams.

As I say, the uncertainty should be taken out; people are uneasy about it. The St. Croix Paper Company have four dams located at Woodlawn, Sprague Falls, Vanceboro, and Forest City. They have paid large sums of money to residents on the Canadian side for flowage rights. I do not think the minister had any intention to destroy the dams. Nevertheless we are about to pass a measure which may have unfortunate results in years to come because of these weaknesses I have drawn to the attention of the house. Provision should be made in committee whereby there would be no possibility of destroying those dams on rivers such as the St. Croix which, I presume, under the treaty of 1909 were permitted by the international joint commission and with the approval of the provincial and the federal governments.

I think it is only fair that this matter receive careful perusal, so that these industries would have some assurance. I see the minister nodding his head; does he wish to ask a question or make a statement?

Mr. Lesage: I was just about to point out that the bill provides that it operates only when works in Canada have effect on the use of water outside of Canada, and that the dams the hon. member has mentioned have no effect on the use of the water outside of Canada.

Mr. Howe (Port Arthur): I should say that the St. Croix river is in exactly the same position as the St. Lawrence river. I said that this bill does not apply to the St. Lawrence. The St. Croix is a boundary water between two countries. As such it comes under the jurisdiction of the international joint commission, and not under this bill.

Mr. Montgomery: I have had the opinion of a very good international lawyer who feels that it could come under this bill. All I am asking is that the bill be made to state that it does not. Apparently it is not the minister's intention to have it apply, and I would like to see that made certain in committee. That is my reason for speaking at this time. I have not a word to say as to the legality of the measure. I am not saying that I support the bill as it is, but I do support the principle. I think it is only proper that the Dominion of Canada should have the right to control her resources, and it is our duty in the House of Commons to protect those resources. However, in cases where there is any doubt I should like to have the language of the bill clarified.

Mr. J. L. MacDougall (Vancouver-Burrard): Perhaps I am the last person who should speak in this house on the legality of this measure. I speak only because I realize that sometimes out of the mouths of babes and sucklings cometh wisdom. As I listened to the Minister of Trade and Commerce (Mr. Howe) the other night I was convinced of the soundness of his argument. I have checked, double-checked and rechecked because for some 24 hours I had some hesitancy with regard to the complete correctness of his statement. During the intervening days, like the Prime Minister of the United Kingdom, who, in his famous statement spoke of toil, sweat and tears, I experienced toil and perspiration but not tears. In addition, I have received some extremely sound legal advice on the basis of article 2 of the waterways treaty.

As you know, Mr. Speaker, it was signed in 1909, and was a treaty between Great Britain and the United States. It has been revised on several occasions since, the last revision taking place in 1952, but article 2 has not been revised.

Under the British North America Act the dominion has jurisdiction to implement by statute all treaties made by the imperial parliament with any foreign country. In entering this debate I should like to state specifically that I am not going to deal with the multitudinous aspects that have been dealt with by speakers from the government and opposition benches with reference to power and the utilization of power. Where you have power establishments you eventually have primary and secondary industries. I am not pinpointing in any manner or form the question of the Kaiser dam. There is no doubt in the minds of many people, and particularly those of us from British Columbia, that this is the nearest thing to our hearts so far as this bill is concerned. We are concerned about the future disposition of water power in the province of British Columbia.

In the United States a treaty may be ratified by the Senate, and then it becomes a part of the law of the land; but in Canada treaties do not become law until they are ratified by statute.

We are concerned, and I particularly, as I said, with the legality of this measure. Perhaps I am simplifying this more than I should, but to me it is a problem identical with the Electricity and Fluid Exportation Act. They are absolutely identical. To my knowledge we have never had a protest from the province of Alberta when the question of the export of fluids and electricity has been discussed in this house. If I am right in assuming that the problems are identical, then I think it is fair to say that since the dominion government has jurisdiction with respect to the export of fluids and electricity,

it also has jurisdiction with respect to the export of the commodity which we are now discussing.

Chapter 28 of the statutes of 1911 was passed on the basis of the British North America Act. Since it is an act of the federal parliament, it may be repealed by the same authority, namely, this parliament, of which we are members. I might point out that such repeal could create difficulties—I say "could" not "would"—with the nation to the south. However, if it did, according to the information I have received, it could terminate the treaty under article 4 by giving 12 months' written notice. Although it is an imperial treaty, it is the treaty under which article 2 operates.

I presume that, since the Statute of Westminster, Canada could declare itself not bound by the treaty by giving 12 months' written notice. It therefore seems to me, Mr. Speaker, that the real point that we have to deal with arises out of article 2. That is the point that the Acting Prime Minister emphasized during his speech the other evening.

Under the provision of article 2 the imperial parliament reserved to Canada and to the provinces jurisdiction and control over all territorial waters on their own side of the border. This provision does not create jurisdiction in the provinces; it reserves existing jurisdictions and rights.

As I have already stated, there have been no objections to the authority of the federal parliament to issue permits for the export of fluids and electricity. If I am right in saying that they are practically Siamese twins, then under no circumstances should there be any objection whatsoever from any province in Canada to the passage of this bill that the Acting Prime Minister introduced when he spoke last to the house. Therefore, it seems clear to me that the jurisdiction over the control of international rivers is definitely vested within the jurisdiction of the dominion parliament.

I hope that when this question comes before the committee on external affairs the best legal minds will be available to that committee. Neither the province of British Columbia nor the dominion parliament wants to have come out of this debate the wrong kind of legislation. Although the province of British Columbia has a different political idea of administration from what I have, I think it is fair to state that they are primarily interested in the development of the country. They may be wrong in their attitude and approach, and certainly as far as I am concerned they are wrong, in this matter.

As I understand it now the agreement would give 80 per cent of the benefit to the external country with only 20 per cent to the ownership country. I think all hon. members of this house will agree that that is not a sound type of agreement. It does not conform to the usual type of enactment under the international joint commission.

I do not want to rehash any of the many statements that have been made. When this act was passed in 1909, we were then more or less a colony. That continued so until 1931 when the Statute of Westminster was passed under which we assumed co-authority with the United Kingdom parliament, equal in all things, subordinate in none.

As far as this legislation is concerned I submit that we are on sane, sound legal ground. Probably the advice the British Columbia government is receiving has not been legally sound and I am sure that they will be sufficiently good Canadians to recognize the supremacy of the dominion parliament. In fact a hint has already been given that that will be the case. Not so many days ago the provincial minister of public works stated that regardless of what the outcome might be with respect to this so-called fight between the province and the dominion—in my opinion it is not a fight, it is just a disagreement—as a good Canadian he would have to go along with the act as set down by the dominion parliament.

I think that is a tip-off we can all take with a great deal of sincerity. I think our sole purpose individually and collectively in this house is to do the best we humanly can for the Dominion of Canada. With this situation being focused as it is, we will be good Canadians first and good British Columbians second.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I was happy to hear the hon. member for Vancouver-Burrard (Mr. MacDougall) indicate that there is some doubt even in the illustrious Liberal party as to the legality of this particular bill. However, study will have to be made of this constitutional question to decide whether or not he is right and who has jurisdiction. I was also interested in what the hon. member for Victoria-Carleton (Mr. Montgomery) had to say with respect to the effect that this bill might have upon New Brunswick. The reason I say I was interested is that he indicated that he lost all interest the moment he found that New Brunswick was not to be affected. I wonder what point of view he would have taken as a citizen of that province if he had discovered that one of their rivers was to be affected and they were to lose certain authority in a provincial way because of this bill.

The hon. member for Okanagan Boundary (Mr. Jones) has said that British Columbia has just now discovered the value of its water power. It is only natural that we are discovering things every day, now that we have good government in British Columbia, and this is no exception to the rule. The hon. member also spoke about co-operation by his friends to his left. We are only too willing to co-operate, but co-operation is a two-way street.

I have heard a lot about what British Columbia was going to do after they had the dam built with the revenue they would receive, but I have yet to hear what the Dominion of Canada is going to give British Columbia if this bill becomes law. I think that the people of British Columbia have every right to know that.

The hon. and respected member for Vancouver South (Mr. Philpott) is always most interesting to listen to. He said that British Columbia has the greatest block of unharnessed horsepower in the world. I agree with that statement and I feel sure that every Social Crediter in this house and every British Columbian will also. I believe he said that we had adopted a defeatist policy. He said that you do not take power to industry, you usually take industry to the power. If that is so, why are we bringing gas from Alberta all the way to Toronto and Montreal? Being the type of orator he is, he speaks in superlatives. He says the Liberal party has the greatest and the mostest of everything.

Cheap power is a great factor in bringing industry into an area. The hon. member should not forget that there are two other factors required as well; one happens to be markets and the other transportation.

An hon. Member: And raw materials.

Mr. Hahn: Of course, raw material is most essential; but if you have transportation you can bring it to the power.

An hon. Member: If it is not too far.

Mr. Hahn: This afternoon the Minister of Northern Affairs and National Resources (Mr. Lesage) spoke for a while and I began to think that we would not need any of this power in British Columbia. He almost blew a fuse. We could probably light all the bulbs in this chamber and keep them going for the next few days if we could only harness the human horsepower we have here that is going to waste from time to time. I am sure we could use it to advantage.

I take issue with this bill for a number of reasons. The first is that the bill is directed at one province only. We can talk all we want to about the Milk river in southern Alberta, but that river practically does not run in Alberta. If it had not been for the grace of God and a couple of hills in the way it would have run down through the United States. Even that river will not come under this bill.

The Minister of Northern Affairs and National Resources said that there were 20 rivers that would be affected. I am satisfied that every hon. member in this house has the right to know the names of the rivers that are to be affected.

I take issue with the bill because it is an infringement of provincial rights set forth in the constitution. Of course that is a matter of opinion, as some individuals in the house seem to think that it comes under federal jurisdiction while others think it is a matter of provincial rights.

The third reason is that the Minister of Northern Affairs and National Resources, in the course of the debate, proposed what I would call a "cockeyed" scheme which might well result in unlimited damage to both the internal and the external relations of this country, and might particularly affect the province of British Columbia. I will deal with that at greater length later on.

I believe it was the hon. member for Victoria-Carleton (Mr. Montgomery) who raised the question as to the status of this project over the other projects which have already been built. It is important that this should be outlined very clearly.

I detest legislation born of expediency, and this I believe is that type of legislation. But I do not intend to develop each of these issues with respect to this bill. There are, however, one or two observations I would like to draw to the attention of the house.

The merit of this Castlegar scheme has already been outlined and I am not going to subject the house to a further discourse in that regard. Several hon. members have already devoted much time to explaining in great detail exactly what was involved, and what British Columbia could expect if she were given the authority to go ahead with the development of this project. I must confess I have as yet heard no other alternative except that suggested by the Minister of Northern Affairs and National Resources, who said that he had written to the board of trade in Trail some time ago. I cannot of course criticize any such proposal until I have seen it.

However, I do not believe we should be asked to agree to a second reading of this bill until we discover what protection is offered to the people of British Columbia. That is a vitally important question. Up

until this time the British Columbia government has apparently had the authority to carry on such development and a couple of projects have already been undertaken without any governmental interference. Now it becomes expedient to stop a particular project and that is going to cost the people of British Columbia between $1 and $2 million per year unless this government comes out with a specific proposal to reimburse the British Columbia government in some particular manner.

We have heard a great deal about orderly development in the national interest. The Minister of Northern Affairs and National Resources has already admitted that the main part of the Columbia river would be affected. I am quite satisfied that it will be affected, but how about the little streams that run into this particular river? This is an important question for the people who live along those little streams.

For example, the hon. member for Vancouver-Quadra (Mr. Green) asked whether it would affect the Mica creek dam and apparently the answer is in the affirmative. The particular location of that dam up around the top of the Big Bend is certainly some distance from the boundary itself, and the water is not running across the boundary as does the main stream of the Columbia. There are other rivers running into the dam which will naturally have some effect upon the flow of the water at the international boundary, and it is important that we discover whether they are to be affected.

We would also like to know when we are going to develop this Mica creek power plant. Are we going to wait until the federal government comes to an agreement with the United States on a 50-50 basis, as has been suggested? A 50-50 basis, as in the case of the St. Lawrence seaway project, apparently means that we get 50 per cent and the United States gets 50 per cent, but we spend $6 for every one dollar spent by the United States. To my mind this is a different type of project and it should be dealt with differently.

I would like to know who is going to issue licences and who will receive the resulting revenue. The people of Canada have a right to know. If this government is to issue licences then I imagine the fees would go to the federal authorities. But that would not make British Columbia very happy.

I am quite satisfied the people of British Columbia will feel they are being gypped out of well over $1 million if this bill comes into effect unless they get something back in return. I would ask the minister to indicate clearly at this time, before we pass this bill, whether the people of British Columbia are going to be guaranteed an amount equal to the 20 per cent plus the $275,000 in taxes and other financial returns they could normally expect if the dam were built. That province and hon. members in this house have a right to be told before a vote is taken upon this measure. I will go as far as to say that I am determined not to support this bill unless I have an answer to a few of these questions, and I would like this one answered in particular before I am called upon to vote.

There are even more important aspects of the bill than this particular economic issue, and the most significant of these, to my mind, is the question of economic nationalism as opposed to economic internationalism. In deciding whether we are going to adopt a measure of this type, which is in opposition to an agreement already drawn between a provincial authority and a company in the United States, we must bear in mind that we might possibly disrupt an economic deal between the two parties involved.

The president of the Royal Bank of Canada at a NATO meeting today had this to say: "A return to economic nationalism is a real danger." In this instance it is possibly more dangerous than most of us realize.

I know there are many hon. members inside this house and out who are not too interested in this bill because it does not affect their particular regions, but I believe this measure is vitally important to all of us and I would urge upon them the importance of studying it closely. This is not a matter of provincialism. It is a matter of internationalism and it can well affect the relations between the two countries. The late Mackenzie King had this to say. The hon. member for Kootenay East (Mr. Byrne) earlier today quoted from *Hansard* of March 9, 1944. I believe he said he was reading what Mr. Mackenzie King had to say in respect of the setting up of the international joint commission. He also had this to say which the hon. member did not read:

> The Columbia is a truly international river. Any development, and particularly any power development, of the resources of the river on one side of the boundary is certain to have an effect in the other country. For this reason it is necessary that the plans for development of the river basin in one country should be adapted to those in the other.

Mr. Speaker, the Columbia river primarily affects the states of Washington, Oregon, Idaho and Montana, and the province of British Columbia. In the Pacific northwest, however, there is an economic block made up of British Columbia, Alberta, Montana, Idaho, Washington, Oregon and northern California. You will notice how closely those two are in-

tegrated; that is, the very fact that this Columbia river so materially affects the states and the provinces involved and the fact that the natural terrain in that area is of such a nature that it would be a natural form of development to develop the whole area as an economic unit, should play a most important part in our decision as to whether or not we should go ahead and adopt this measure at this time. As yet we have no assurance that this government, if the bill is passed, will go ahead and permit that development on an international basis. We hear other stories. We have certain clippings from newspaper articles. Unfortunately the Minister of Northern Affairs and National Resources did not earlier today have the information tabled so that we could discover for ourselves what he told the people of Trail. But I think we can take some of that from the newspaper and deal with it at a later time. One of the things I believe he mentioned was this matter of diversion. On the matter of diversion the Minister of Trade and Commerce (Mr. Howe) had this to say when he spoke on February 4 as reported at page 871 of *Hansard*:

> . . . the government of Canada has exclusive jurisdiction and control of the use of all waters within Canada, which in their natural channels would flow across the boundary, and has the right to divert and use these waters within Canada. The United States has the same rights south of the boundary.

That is a most important statement that the minister made, when he said that the United States has the same authority south of the boundary as we happen to have north of it. Diversion is like co-operation. It is a two-way street. I have certain maps here. Unfortunately some of these things cannot be put on *Hansard*, but on checking the map of that particular area I find that there are two most important dams to which we have heard considerable reference in today's debate. One is Waneta No. 1 and the other is Waneta No. 2. Both of these, as the map would indicate, are on the Pend d'Oreille river just north of the boundary. There is a drop in that river of some 700 feet from the point at which the dams are constructed down to the main stream.

I wonder—I do not know—whether we have examined closely into the possibility that the Americans may, because they are so short of power, decide to dig a tunnel from that river into the main stream just south of the border. It is only a matter of 14 miles or 15 miles. We have a million horsepower in that particular area. I do not know whether it is possible from an engineering point of view. We have not been told. The only place we can probably get that information is in the committee to which I understand this bill is going later. However, that is one of the questions that should be dealt with because that would automatically mean that my good friend the hon. member for Kootenay East (Mr. Byrne) would be most unhappy because he would not have power in the Waneta dam for his use up at Trail. We have an excess of 75,000 horsepower there now, we were told earlier. Of course we have no market for it but we are told that we should not accept a sale of a commodity down south of the border even though we could well use the finances that might come from such a sale.

I maintain that from the viewpoint of public relations it is more important that we should have good international relations as far as keeping this a sound economic block is concerned, than just to go ahead and stop the building of a reserve lake as would happen here, for instance, either, for purposes of political expediency as has been charged or for other reasons. The whole thing should be examined by engineers most closely with the view of considering not just ourselves but the whole power situation on the American side as well.

With regard to that matter, I have here from the New York *Times* of February 5—and I find it to be a fairly reliable newspaper—an article in which Henry C. Alexander, president of J. P. Morgan and Company, addressed the annual dinner of the Canadian Society in New York. This is quite recent. It was February 5. I read from this article the following:

> Mr. Alexander said Canada-United States relations were good. But, he added, the emerging position of both countries as world leaders make it vital that they work harder than ever at the job of being good neighbours.

But I heard the Minister of Northern Affairs and National Resources say, "I am going to divert the Columbia river into the Fraser river". I wonder just how much of good public relations that means between the people of the United States and Canada.

Mr. Lesage: I rise on a question of privilege, Mr. Speaker. I never said that the waters of the Columbia river were going to be diverted to the Fraser river. The only thing that was announced was that a survey would be made about the possibility of a diversion.

Mr. Johnston (Bow River): Why would you make a survey if you did not intend to do it?

An hon. Member: Your intentions are good, anyway.

Mr. Johnston (Bow River): Liberal policy.

Mr. Hahn: The policy apparently is to survey with no ulterior motive in mind. I do not want to read anything into the minister's mind or into his words. I just view it as a matter of fact that when you take a survey or when you perhaps suggest something, there must be a reason for the suggestion.

Mr. Byrne: Divert the flood waters; not the normal flow.

Mr. Johnston (Bow River): That is an afterthought.

Mr. Hahn: I am pleased to hear that because I want to know—and maybe the minister can tell us later—what they are going to do with the water that has been flowing over this same area for thousands and thousands of years. Because if they are just taking that little bit of flood water—it is not a little bit—

Mr. Lesage: It is approximately 12 million acre feet; that is what you call a little bit of water.

Mr. Hahn: That is a tremendous amount of water. I am pleased that the minister has quoted the figure. Now we know. There are 12 million acre feet of this flood water that is being diverted for power purposes, I believe. Now, coming back to this quotation:

> Differences do exist, he said. It would be unfortunate—

An hon. Member: Oh, oh.

Mr. Hahn: The hon. member for Kootenay East (Mr. Byrne) would be well advised to listen. This man, Mr. Alexander, who happens to be the president of J. P. Morgan and Company in the United States, is well worth listening to. He is even as important as some of the august members across the way. I shall reread this phrase, Mr. Speaker.

> Differences do exist, he said. It would be unfortunate, he added, if a "velvet curtain" were to be woven out of a wishful pretence that there were no conflicts of interest. He named as "sources of tension" the tariff problem, commercial rivalry, differences in matters of global policy and disagreement over how to deal with subversion.

He did not name the Castlegar scheme, Mr. Speaker, because it had not become such a national problem in Canada as it has today, otherwise he would have included it. Perhaps I should refer to it as the proposed diversion of the Columbia river into the Fraser. The article continues:

> The head of the Morgan bank said there was need for co-ordination between the two countries along "rational rather than narrowly national" lines. He expressed that view in connection with the development of water power, oil and gas and other sources of energy.
>
> "It so happens," he said, "that the providence which so generously blessed our two countries with these gifts of nature located many of them in such a way that, if each of us is to get the maximum benefit from them, they will have to be developed by our people either jointly or in close co-ordination."

Our good friends across the way need to realize that it is important to develop these things jointly and co-operatively.

An hon. Member: Oh, oh.

Mr. Hahn: Now, you had your chance, and while what you said possibly satisfied you, I cannot say it was completely satisfactory to me.

An hon. Member: You are very charitable, George.

Mr. Hahn: I can afford to be charitable. They changed me from a Liberal to a good Social Crediter.

The next question is, where will the federal government sell this excess power? We are told by the government, and by the authorities in command in British Columbia, that there is no sale for the surplus 75,000 kilowatts produced by Waneta No. 1. The point is, if we get this additional power that the United States interests are going to give us—we should remember that this is not power the people of British Columbia are making available, it is power that is going to be made in the United States and British Columbia is to get 20 per cent of it. We cannot find a market for the 75,000 kilowatts we have at Waneta No. 1; we have another half million kilowatts available in Waneta No. 2; we have another 250,000 kilowatts in Waneta No. 1 if we want to develop it. We have no place to sell it today. Will this government, that has said we must keep the power for our national interests because we might want to put an industry in that area, announce to the government of British Columbia today that they have an industry they are going to put in that area? Then, we could say to the people of British Columbia, there is the reason for keeping it. That is the vital factor in this whole question. The people of British Columbia are being asked today to give up rights which they normally enjoyed under a former Liberal administration and coalition administration in that province. They are being asked to do this without even any assurance in return that there will be an industry put into that area.

Our premier in British Columbia has done an excellent job in getting industry into that province, but he can only do a certain amount. We cannot expect him to undo everything that this government is trying to do now.

The next question is, is it in the national interest to let the water go to waste? I would say, Mr. Speaker, that is what has happened

for centuries. If this bill becomes law, unless this government does as the British Columbia government has proposed to do, then we will not do any more than continue wasting that water for the next century or so if we happen to be, I was almost going to say, blessed with a further Liberal administration, but it would not be a blessing.

The Minister of Trade and Commerce (Mr. Howe) mentioned that we must look to the ramifications in terms of energy. On page 872 of *Hansard* for February 4, 1955, he said:

> We must be prepared to look beyond the basins themselves to the ramifications in terms of energy, and the facilities for its effective use, before determining the effect that a specific project may have on the Canadian economy as a whole.

We have millions and millions of horsepower available in British Columbia if we want to develop it. This particular project is not going to make one iota of difference to the availability of horsepower in the province. The project is concerned merely with the creation of a storage lake. In return, we are going to receive some power from the United States. I should like to ask the Minister of Trade and Commerce what he is going to suggest we do with our electrical power if and when atomic energy is used instead of electrical energy. This is an important factor, especially when we read that the United States has floated the atomic-powered submarine Nautilus. This source of power must be kept in mind.

I am fully aware that the minister will say we use electrical power in the development of atomic energy, but it is true, Mr. Speaker, that besides using electrical power developed from water power we have other means and we have millions of additional horsepower available. We have these resources which this so-called fine administration has not developed. Now that we have an opportunity of doing so, and of helping the province out of debt, this government wants to block us. This government is not going to be responsible for anything that Premier Bennett or his cabinet happens to do in making a deal with anyone. They need not be too concerned about it.

Apparently this is a change in policy. We have the Libby and later the Kootenay projects which this government decided they would not allow to be carried through. In respect of that, Mr. Speaker, I should like to refer to an article from the Vancouver *Sun* dated November 12, 1954. It is interesting to note in this respect that the date is November 12, 1954, not a few years ago but just last year. The article reads:

> British Columbia cabinet ministers can see nothing but politics in Ottawa's move to kill the proposed Kaiser aluminum dam on Arrow lakes in southeastern B.C.
>
> Their suspicions were bolstered today when it was reported from Ottawa that federal officials have rejected Consolidated Mining and Smelting Company's application to export surplus power to the U.S., a deal that has had federal approval up to now.
>
> B.C. officials see it as a tidying up—

I like that phrase.

> —process by Ottawa to build solid ground for the move against the Kaiser's dam plan.

And this is very important, Mr. Speaker, because it says here:

> This policy won federal approval in 1949.
>
> B.C. cabinet ministers consider Ottawa's rejection of the plan now is aimed solely at killing the Kaiser deal.

I am not a constitutional lawyer, and cannot discuss the constitutional aspect of the matter to the same degree as some hon. members have. However, I have been interested in what has been said about this part of the problem. I am satisfied it will have further consideration from other members in this group who will discuss the matter from the standpoint of its constitutionality.

I notice my time has almost expired, and that I shall not have time to discuss the other points I had in mind.

Mr. Deputy Speaker: The hon. member's time will expire at 9.57.

Mr. Hahn: Very well. At page 873 of *Hansard* the Minister of Trade and Commerce (Mr. Howe) said this, when introducing the measure:

> The actual proportion of the power benefits received by the upstream and downstream countries will depend on the merits of each case; but there is little doubt that both countries will expect to get a reasonable share of the power developed as a result of joint efforts.

What share will British Columbia get? I ask that question because the minister has said that the two contracting parties, namely the governments of Canada and of the United States, will receive their shares. I want to know what the British Columbia share will be because, after all, that is the only province affected by this bill. The minister has said that 20 rivers are affected, but I am satisfied there are more than that in British Columbia alone.

To quote further from the minister in the same address:

In guarding the national interest, we must be sure that any arrangements between Canadian and American interests are concluded at arm's length; that they are bound up in long-term contracts between responsible utilities; and that the recompense in power or cash for the resultant benefits in the downstream country bears a close relationship to a fair market price of the electricity so generated, as well as to the value to Canada of alternative water resource developments solely in this country.

The Minister of Trade and Commerce is, I am sure, Canada's greatest merchant.

An hon. Member: Be careful.

Mr. Hahn: Well, he deals in all of our goods, and is giving some of them away.

Mr. Johnston (Bow River): He is giving British Columbia's away.

Mr. Argue: What's a million dollars?

Mr. Hahn: The point is this: I want to know how much electricity is worth at the border today, when there are 75,000 kilowatts nobody wants to buy. How much will we get for the balance of what he proposes to sell?

And then he says:

For example, unless the cost of electricity to the beneficiaries in the United States is comparable with that of the best alternative project within their own control, we would have good reason to be sceptical.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member, but I must advise him his time has expired.

On motion of Mr. Holowach the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Green: What is the business for tomorrow?

Mr. Howe (Port Arthur): I assume it will be a continuation of this debate.

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

APPENDIX A

MEETING OF COMMONWEALTH PRIME MINISTERS

Communique

The governments of the member nations of the commonwealth are resolved to do their utmost to ease international strain. It is their aim, not only to bring any open hostilities to an end, but to promote conditions in which real peace can grow and thrive so that freedom and plenty may be enjoyed by all peoples.

Since the last meeting of commonwealth prime ministers in 1953, agreements have been reached in various parts of the world which have had the effect of removing differences and widening the area of understanding among governments and peoples. The prime ministers welcomed the settlement of the Trieste dispute. They recorded their satisfaction that, in the Middle East, the United Kingdom's differences with Egypt and Iran had been resolved. They looked forward to closer collaboration between all the countries of that area so that its economic development and the welfare of its peoples could be advanced. They welcomed, in southeast Asia, the end of hostilities in Indo-China and stressed the need for strict adherence to the conditions of the Geneva agreement and for increased welfare and stability in that area.

The prime ministers were informed that the commonwealth countries associated with the North Atlantic treaty were convinced that the early ratification of the agreements reached in London and Paris and the acceptance of federal Germany into the community of the western nations would mark an important advance towards the security and cohesion of western Europe.

The prime ministers met at a time of tension in the Far East. In view of developments which occurred during their meeting, their discussions of this problem assumed a special significance. They were united in their conviction that it was necessary that incidents should be avoided while means were sought for a peaceful outcome. They were confident that the intimate and personal discussions which they had held at this meeting would be a valuable foundation for future consultations, with one another and with other countries directly concerned, and for the development of their policies on this question.

The prime ministers noted the improvement in the outlook for world trade and prosperity which had taken place since the commonwealth finance ministers met at Sydney in January, 1954. They recognized that commonwealth countries had made a substantial contribution to this by maintaining the stability of their currencies, by continuing their development programs, in which the Colombo plan had played its part, and by expanding their production. They had also continued their progressive approach towards the widest practicable system of trade and payments, which best serves the interest of the sterling area and Canada.

The prime ministers affirmed their determination to continue these policies of economic progress. They agreed, in particular, that all commonwealth countries should strive to develop further their resources and their earning power. By these means they could best consolidate their strength and make an increased contribution to economic stability throughout the world.

The prime ministers gave anxious thought to the problems of nucleur energy. The latest discoveries confront humanity with a force which is almost beyond the capacity of man's brain to comprehend or measure. They present a choice and a challenge. Is this vast power to be developed for the benefit of man, or is it to be used to bring ruin upon the human race?

The prime ministers once again declare that their countries will never embark upon aggression. Indeed, it is their hope that, when the peoples of the world understand the magnitude of the disaster which world war would bring, all nations will shrink from violence and follow peaceful means of settling their differences. The annihilating power of the new weapons renders it imperative that sanity should prevail and that war should be prevented.

It is the aim of the commonwealth countries to work for a disarmament agreement which includes forces and weapons of all kinds and is both comprehensive and effective. Commonwealth governments have already devoted much time and thought to producing

and furthering practical plans to achieve this purpose, and two of the commonwealth countries are members of the subcommittee of the United Nations disarmament commission.

With international accord on disarmament, it would become possible to turn the vast resources of atomic energy increasingly into channels which benefit mankind. The prime ministers were informed of the progress made by the United Kingdom government in the use of atomic energy for industrial and other peaceful purposes. They looked forward to the prospects of continued close co-operation between the United Kingdom and other commonwealth countries in the development of the civil uses of atomic energy.

In the course of the meeting, the Prime Minister of Pakistan informed the other prime ministers that Pakistan was about to adopt a republican form of constitution but desired to remain a member of the commonwealth. They were assured that the people of Pakistan were resolved to maintain, despite this constitutional change, their steadfast adherence to the commonwealth and their recognition of the crown as the symbol of the free association of its sovereign members. In a declaration issued on February 4 they signified their agreement that Pakistan should continue on this basis to be a full member of the commonwealth after becoming a republic. All the prime ministers reaffirmed that their countries would remain united as free and equal members of the commonwealth, freely co-operating in the pursuit of peace, liberty and progress.

The commonwealth is a unique association. Its countries contain a fourth of the world's population, embracing people of many races and religions. Among its members are countries of importance in all quarters of the globe. Its strength and influence in the world today are derived from this and from a common outlook which, in spite of differences of geography, religion and race, evokes a broadly similar response to most international problems of the day.

The commonwealth countries do not pursue any selfish purpose. They seek no aggrandisement and will always oppose aggression. In concert with all who share their ideals, they are resolved to do their utmost to further the cause of peace throughout the world.

APPENDIX B

REGIONAL DEFENCE DISCUSSIONS

While the commonwealth prime ministers were in London the opportunity was taken to hold a series of additional meetings on regional defence problems. These meetings covered the main areas in which the forces of commonwealth countries may have to be deployed in the event of war. Each was attended by representatives of those commonwealth countries whose forces might in war be operating in the particular area under discussion. Their purpose was to enable the representatives of those countries to join together in reviewing the plans for the defence of each area.

The representatives of the commonwealth countries concerned with these regional defence plans recognized that the advent of thermonuclear weapons involves fundamental changes in the strategic approach to defence problems. They agreed that the overwhelming superiority of the western powers in nuclear weapons offers at the present time the most effective and practical assurance that world peace will not be disturbed by any deliberate act of aggression. They agreed that their defence policies should be founded on the principle that world war can be prevented if the free democracies are resolved to maintain in readiness forces sufficiently strong to deter any potential aggressor.

In Europe great progress has already been made in building up the defensive shield provided by the forces of the North Atlantic treaty powers; and the commonwealth representatives who took part in these discussions welcomed the steps which are being taken to increase the strength of those forces by a military contribution from western Germany. The defence problems of the Middle East were reviewed in the light of recent developments and agreement was reached on the basis for a new approach to defence planning in this area. Discussion of the defence problems of southeast Asia covered plans to help the countries in that

area, not only to resist aggression, but also to strengthen their internal security. The four commonwealth countries which are signatories of the Manila treaty took this opportunity of reviewing, in preparation for the forthcoming conference at Bangkok, progress in making that treaty an effective instrument for these purposes.

The opportunity was taken to discuss, as one element in the defence of the Manila treaty area, the security of Malaya, which is regarded by the United Kingdom, Australia and New Zealand as of vital importance. The strategic position of the area was clarified by these discussions and it was considered that, in future, joint planning among the three governments and discussions with other participants in the Manila treaty would go forward effectively.

Throughout these regional defence discussions it was accepted that military plans must be concerted with other countries involved in the defence of these areas. The commonwealth countries concerned also recognized the need for the closest association with the United States in all defence measures. They agreed that on this basis regional defence planning can afford a solid foundation for the preservation of peace.

HOUSE OF COMMONS

Friday, February 11, 1955

The house met at 2.30 p.m.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 67, for the relief of Vera Grace Westley Stewart.—Mr. Hunter.

Bill No. 68, for the relief of Freda Margery Turton Pellerin.—Mr. Hunter.

Bill No. 69, for the relief of Sieglinde Rosa Wolf Coss.—Mr. Hunter.

Bill No. 70, for the relief of Marie Vina Lebel Duhamel.—Mr. Hunter.

Bill No. 71, for the relief of Florence Pearl Loader Varden.—Mr. Hunter.

Bill No. 72, for the relief of Ethel Elizabeth Smith Tero.—Mr. Hunter.

Bill No. 73, for the relief of Elizabeth Annabel Clouston Grandjean.—Mr. Hunter.

Bill No. 74, for the relief of Miriam Rabinovitch Yampolsky, otherwise known as Miriam Rabinovitch Pollack.—Mr. Hunter.

Bill No. 75, for the relief of George Angus Robinson.—Mr. Hunter.

Bill No. 76, for the relief of Gerald Willy Moore.—Mr. Hunter.

Bill No. 77, for the relief of Desneiges Primeau Gagnon.—Mr. Hunter.

Bill No. 78, for the relief of Gladys Krassner Garoff.—Mr. Hunter.

Bill No. 79, for the relief of Margaret Aitken Robertson Comis.—Mr. Hunter.

Bill No. 80, for the relief of Marie Rose Barsey De Board.—Mr. Hunter.

Bill No. 81, for the relief of Maureen Theresa May Baker Reed.—Mr. Hunter.

Bill No. 82, for the relief of Henry Schoen. —Mr. Hunter.

Bill No. 83, for the relief of Harold Archie Donaghy.—Mr. Hunter.

Bill No. 84, for the relief of Beatrice Ellis Oakes.—Mr. Hunter.

Bill No. 85, for the relief of Rose Blum Brenner.—Mr. Hunter.

Bill No. 86, for the relief of Georges Ovide Normand.—Mr. Hunter.

Bill No. 87, for the relief of Marjory Grace Darling Downey Picktell.—Mr. Hunter.

Bill No. 88, for the relief of Francis Joseph Ellis.—Mr. Hunter.

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Bill No. 89, for the relief of John McKinnell.—Mr. Hunter.

Bill No. 90, for the relief of Ada Garland Skakle Campbell.—Mr. Hunter.

Bill No. 91, for the relief of Shirley Elizabeth Saul Hutchison.—Mr. Hunter.

Bill No. 92, for the relief of Rotha Dodgson Webb.—Mr. Hunter.

IMMIGRATION

HAROLD C. BANKS—REFERENCE TO ARTICLE IN "MACLEAN'S" MAGAZINE

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): I should like to address a question to the Minister of Citizenship and Immigration. In view of the answers which I received at page 891 of *Hansard* relative to questions asked with respect to the application for landing of one Harold C. Banks, is the minister aware that the information contained in an article in *Maclean's* magazine by Sidney Katz is directly opposite to the answers I received and that that information was obtained from an official of his department?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): No, I am not aware of any information obtained by any writer for a magazine from officials in my department. I do not know how I could be aware of it unless they happened to report it to me. I doubt very much if this information was received from any official of my department, and in any case it does not happen to be true.

Mrs. Fairclough: I should like to ask a supplementary question. Will the minister investigate this matter because the information on which I based my question—

An hon. Member: Order; this is a speech.

Mrs. Fairclough: —was apparently secured in front of witnesses?

Mr. Pickersgill: No, I do not think I should make any investigation beyond what I have already made. I sent for the application form that was filled out by Mr. Banks and I examined it myself. As a matter of fact, it is just an accident that I do not happen to have it right here in the house now. For the hon. lady's benefit, and for the benefit of anyone else who is interested, the way this mistake arose on the part of the writer of what I thought was otherwise a very good

article was that question 17 on form 1000 at the time Mr. Banks was landed was an entirely different question. Some months later or perhaps a year later form 1000 was altered to include this question which had never previously been asked of anyone. No doubt it was a misapprehension of those facts that occasioned the inaccurate statement appearing in *Maclean's* magazine.

HOUSE OF COMMONS

INQUIRY AS TO SOUTHERN ONTARIO CABINET REPRESENTATION

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to direct a question to the Prime Minister. Is there anything in the rumour that has been circulated recently to the effect that the Prime Minister is planning soon to give the great industrial area of southern Ontario cabinet representation?

Right Hon. L. S. St. Laurent (Prime Minister): I know nothing whatever of these rumours. If there is any change in the cabinet the house will be duly notified.

TRADE

REPORTED AGREEMENT ON RENEWAL OF GATT

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Will the Minister of Trade and Commerce state whether or not it is a fact that in the negotiations at Geneva agreement has been reached for the renewal of the general agreement on tariffs and trade?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The negotiations have not yet reached that stage, Mr. Speaker. I am told that it will be another three weeks before a final conclusion is reached. However, action has been taken to rebind the duties that apply in the present agreement. They have been rebound for a further period.

[*Later:*]

Mr. Howe (Port Arthur): May I rise on a question of privilege, Mr. Speaker. I should like to correct an answer to a question of the hon. member for Eglinton that I gave before three o'clock. I said at that time that steps had been taken at GATT to rebind the schedule of tariffs. I got that impression from a rather hasty reading of a letter from Geneva this morning. I am told that while progress has been made in that direction, the actual binding has not taken place and may not take place until the end of the session some two or three weeks hence. I should like to make that correction because I would not like to take responsibility for giving out wrong information on this particular subject.

Mr. Fleming: Is the minister in position to say what if anything has been reached by way of agreement? I understood there was some agreement that had been reached over there somewhat along the line indicated.

Mr. Howe (Port Arthur): They are moving toward agreement, but no agreement is reached or is final until it is completed. The agreement is under negotiation and many factors are still open for discussion. All I can say is that progress is being made.

POST OFFICE DEPARTMENT

WORKING HOURS OF CARRIERS IN MONTREAL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a question of the Postmaster General (Mr. Cote) or, in his absence, the minister acting on his behalf. Are letter carriers operating out of a number of the postal stations in the city of Montreal being required to work a six-day week, despite their opposition to such a practice? Could a statement be made In connection with this matter?

Hon. J. W. Pickersgill (Acting Postmaster General): No, there is no such intention on the part of the government.

LABOUR CONDITIONS

REPORTED UNEMPLOYMENT IN QUEBEC CITY

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I should like to ask a question of the Minister of Public Works. Has the minister received a request from the comité conjoint d'étude des problèmes économiques du Québec métropolitain, of which I have a copy, concerning the alarming situation of unemployment in the metropolitan area of the city of Quebec? If so, has the minister taken any steps toward the immediate solution offered in the communication of the comité conjoint d'étude des problèmes économiques du Québec métropolitain?

Hon. Robert H. Winters (Minister of Public Works): With respect to the first part of the question, the answer is yes. I received a telegram dated February 4.

In reply to the second part I might say that in so far as the question applies to public works, I answered on the same date, February 4, stating that a reference to the estimates for 1955-56 would reveal that the Quebec area had not been overlooked when

planning our program of public projects. We are endeavouring to implement our program, having in mind the situation prevailing in the Quebec area.

Mr. Dufresne: May I ask a supplementary question. Is it the intention of the minister to make available other public works to take care of the alarming situation of unemployment in the metropolitan area of Quebec, in addition to the sums mentioned in the estimates?

Mr. Winters: All I can say is that the situation is clearly in mind, and will be given every consideration when the supplementary estimates are prepared. Beyond that I cannot commit the government at the moment.

VETERANS AFFAIRS

REQUEST FOR STATEMENT ON CHANGE IN TREATMENT REGULATIONS

On the orders of the day:

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to ask the Minister of Veterans Affairs if he is now prepared to answer the question I drew to his attention yesterday.

Hon. Hugues Lapointe (Minister of Veterans Affairs): Mr. Speaker, I was just waiting until hon. members opposite had completed asking their questions, at the conclusion of which I was prepared to answer the question asked yesterday. I might add that this matter was also drawn to my attention by the hon. member for Vancouver-Burrard (Mr. MacDougall) and the hon. member for Vancouver-Quadra (Mr. Green).

The answer is that, other than the upward revision in the maximum amounts payable to funeral directors, the new regulations as covered by order in council P.C. 1955-102, dated January 20, 1955, did not change the administrative policy of the department as covered by instructions over a lengthy period. However, due to difference in interpreting the instructions in some districts, it was considered advisable when the regulations dealing with the increased rate were being amended to incorporate some of these instructions in the regulations.

The department has always stressed the point that those entitled in the case of a death which occurred in a department hospital had the right to make such arrangements for the funeral and burial as they wished. Furthermore, the department would not undertake the funeral and burial arrangements unless specifically requested to do so when there was a next of kin or other person competent and willing to make such arrangements. This practice is now incorporated in the regulations.

The new regulations make it quite clear that the maximum amounts will be paid in every case where a veteran dies while on departmental treatment strength if in receipt of treatment for his service disability. In all other cases, that is, those receiving domiciliary care or treatment for a non-service related condition, the regulations only permit payments of or towards the funeral and burial expenses where, in the opinion of the department, the estate and the resources of a surviving spouse, where applicable, are insufficient.

This has been the administrative policy of the department over an extended period, although departmental officials in certain instances in the past may have improperly relieved the next of kin of making the funeral and burial arrangements, thus making it necessary for the department to advance payments to cover the charges and subsequently originate claims against estates in certain cases.

NATIONAL REVENUE

REQUEST FOR APPOINTMENT OF CUSTOMS APPRAISER AT CHURCHILL

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask a question of the Minister of National Revenue. Have representations been received from the Hudson Bay route association, or other interested bodies, for the appointment of a customs appraiser at the port of Churchill, to the end that expedition in clearances may be achieved there? What is the attitude of the government in this matter?

Hon. J. J. McCann (Minister of National Revenue): The answer to the first part of the question is yes. The Hudson Bay route association, with the hon. member for Churchill (Mr. Weaver), appealed to the departmental officials on Tuesday of this week, and the answer was given to the delegation that the matter was under consideration, that up to date it has not been finalized, but that it is being further considered.

REQUEST FOR ESTABLISHMENT OF OFFICE AT BRANDON

On the orders of the day:

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I should like to ask a question of the Minister of National Revenue. Is he aware of the need for a permanent income tax office in the city of Brandon to serve the

rural population of that area? Is it the intention of the minister to establish such an office?

Mr. Speaker: Order. I suggest that this is the kind of question that could be asked when the estimates of the Department of National Revenue are being studied in committee of supply. I think the hon. member should be patient enough to wait until committee of supply is studying the estimates of the Department of National Revenue, at which time his question could be asked.

Mr. Dinsdale: I was anticipating the end of the fiscal year, which more or less makes it matter of urgency.

FISHERIES

ESTABLISHMENT OF FISH MEAL PLANT—APPLICATION BY GERMAN COMPANY

On the orders of the day:

Hon. James Sinclair (Minister of Fisheries): Mr. Speaker, yesterday the hon. member for Cape Breton South (Mr. Gillis) asked whether the federal Department of Fisheries had refused a permit to a German firm to operate a fish meal plant at Louisburg, Nova Scotia. This inquiry arises out of a letter sent to me by the Sydney board of trade, of which copies were sent to him and to the hon. member for Inverness-Richmond (Mr. MacEachen) and the hon. member for Cape Breton North and Victoria (Mr. Buchanan).

The answer is no; the federal government does not license shore plants. That is done by the provincial authorities.

Mr. Clarence Gillis (Cape Breton South): Might I follow that up by asking the minister a supplementary question, because his answer is incomplete. Did the minister's department refuse a permit to that firm to bring a certain number of trawlers into that area, which refusal in turn prevented the establishment of that plant?

Mr. Sinclair: Of course that was not the question the hon. member asked yesterday. There has been no refusal from Ottawa. If a plant is established in Canada, that firm would have exactly the same rights as any other Canadian firm to import used trawlers in keeping with our Canadian trawlers policy.

Mr. Gillis: Would the minister tell us what that policy is?

Mr. Sinclair: Every fish plant can import one used trawler. If they need more than that, they would have to build a new one in Canada, and then they would be given a permit to import another used trawler. But we certainly do not want 22 used trawlers brought into Canada to serve one fish meal plant.

(Translation):

PRIVILEGE

MR. DUFRESNE—WINNER OF INTERNATIONAL DOG DERBY

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I rise on a question of privilege. I have no doubt that the house will allow me to refer to a sporting event of the greatest national and international importance, which took place yesterday in Ottawa.

Mr. Speaker: I am sorry to interrupt the hon. member, but I think hon. members will have to learn through the newspapers about the sporting event to which our hon. friend wishes to make reference. I have no doubt that they will share his satisfaction in this regard.

Mr. Dufresne: Mr. Speaker, I simply meant to point out that the champion, Mr. Narcisse Dompierre, is present in the gallery.

(Text):

MARGARINE

SUGGESTED CORRECTION IN ANSWER TO QUESTION

On the orders of the day:

Mr. W. A. Pommer (Lisgar): I should like to direct a question to the parliamentary assistant to the Minister of Trade and Commerce. On page 1016 of *Hansard* there appears an answer to a question of mine having to do with the production of margarine during the calendar year 1954. The answer given is that the production of margarine was 115,868 pounds. I ask the parliamentary assistant whether that should not be millions, because in the answer to the second question he gives a total of 94,151,000 pounds as having gone into the production of margarine.

Mr. J. H. Dickey (Parliamentary Assistant to the Minister of Trade and Commerce): I shall be glad to go over the question with the hon. member and clarify it.

INTERNATIONAL RIVERS

PROVISION REQUIRING LICENCE FROM GOVERNMENT OF CANADA TO CONSTRUCT, OPERATE AND MAINTAIN ANY IMPROVEMENT

The house resumed, from Thursday, February 10, consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 3, respecting the construction, operation and maintenance of international river improvements.

Mr. Ambrose Holowach (Edmonton East): Mr. Speaker, last Monday, from 2.30 o'clock in the afternoon to ten o'clock in the evening this house heard eloquent words from able and learned hon. members respecting the

guarding and maintaining of human and individual rights, provincial rights and the rights of this Canadian parliament. At that time we may have had our differences of opinion as to the best way to guard those rights. However, I feel certain that all of us will agree with the principle that they can best be maintained if we have greater and greater decentralization and diffusion of administrative power. Although that debate was thought-provoking and timely, the message seems to have been already lost, as is indicated by the bill which we are asked to consider at this time. Therefore, as I sat in my chair yesterday and listened to the debate and the arguments presented, one of the questions that I thought should be answered is, why in heaven's name has this government not practised what it so honestly professes to believe?

I should like to say at the very beginning that I am moved to take part in this debate by reason of the fact that Bill No. 3, respecting the construction, operation and maintenance of international river improvements, is not only ill-advised, but was engineered for only one purpose. Unless we hear from the government members more forceful arguments than have been presented up to this time that purpose is purely a political one. Behind this bill is a picture which indicates the present unco-operative attitude of the federal government in their relations with the sister province of British Columbia. In plain language this bill is being introduced by the Liberal government to handcuff the Social Credit government of British Columbia from going ahead with its proposed Castlegar dam proposition. That project is obviously not to the liking of the Liberal party, but I believe it is generally thought of as being in the best interests of the people of British Columbia in the proper economic development of that region.

The Minister of Trade and Commerce (Mr. Howe), in his opening remarks on the bill, made little reference to the dispute between the government of British Columbia and the federal government on the Castlegar proposition. However, the show was given away when he assured the house at that time that for the present no other area was affected except the Columbia river and the Milk river, which we all know flow through British Columbia and Alberta.

This dispute was succinctly pointed out in a radio address by the Hon. R. E. Sommers, minister of lands and forests in the British Columbia government, when he spoke over radio station CBU, Vancouver, Monday, November 29, 1954, at which time he said:

> Under the federal proposal, we of British Columbia would have to pay out $2 million per year for fifty years for an annual net return of only $111,700. Under your government's proposal, British Columbia would pay out not one red cent for a minimum net return of new electric power worth well over $1 million annually while being secured in the knowledge—

Mr. Low: Mr. Speaker, on a question of privilege, in this country there are some freedoms that are very valuable. One of them is freedom of speech, but certainly there ought to be freedom to listen as well. Hon. members are making so much noise that it is impossible to hear what the hon. member is saying.

Mr. Dickey: Read it in last night's *Hansard.*

Mr. Deputy Speaker: I appreciate what the hon. member for Peace River has just said. Hon. members will agree that immediately after the orders of the day are called each day there is usually some disturbance in the house, and I think this would be an appropriate opportunity to ask the co-operation of hon. members in giving the hon. member who has the floor as much silence as possible.

Mr. Byrne: Is he making a speech or reading one?

Mr. Holowach: To continue the speech of the minister:

> Under your government's proposal, British Columbia would pay out not one red cent for a minimum net return of new electric power worth well over $1 million annually while being secured in the knowledge that your water resources and their vast potential in hydroelectric power are not in any way jeopardized.

To substantiate my charge that there is an unco-operative attitude by the federal government in relation to the provincial government, may I quote from the remarks of the Hon. R. E. Sommers during his address on the throne speech in the British Columbia legislature last month:

> I hasten to say that this is not the only example of federal nonco-operation at the present time and in a moment I would like to give you a second current example. First, however, I would like to emphasize that previous to the assumption of control of the province of British Columbia's affairs by your present government, the federal government did not interfere in water resource arrangements being made by the province of British Columbia and other parties.
>
> When the West Kootenay Power and Light Company made application for additional storage of waters on Kootenay lake (a part of the Columbia river system), the international joint commission agreed that this was desirable in order to firm up power downstream. The government of Canada endorsed this viewpoint, in the full knowledge that the province of British Columbia received no financial return from this additional storage being created on Kootenay lake. Yet, in the present

instance, with equally full knowledge that the province is to obtain a large revenue annually from storage on Arrow lakes, a strong threat of denial of the rights of the provinces is voiced at the Canadian federal level. In the case of this extra water storage in Kootenay lake, it should be noted that the Washington state power groups received the benefits of regulation to the extent of about 35,000 h.p. There was no Canadian federal interference on this use of the waters of B.C. There was no Canadian federal claim in this instance that B.C. was "giving away her water resources". Yet the view taken at Ottawa seems to be an entirely opposite one in the case of the proposed low dam, despite the fact that important power and cash benefits ensue to British Columbia upon the completion of the project.

I submit that this bill would never have been introduced if it affected the provinces of Ontario or Quebec or if a Liberal administration were still at the helm in British Columbia. I mention the provinces of Ontario and Quebec because the people there are concerned about their provincial rights and if this bill had concerned them they would have insisted upon every member of this house irrespective of his political affiliation rising in his place to voice a protest at this type of legislation.

I would like to remind the members of this house that the people of British Columbia and Alberta take a back seat to no one in the matter of protecting their provincial rights. Therefore we call upon all hon. members in this house to voice a protest against this bill, as it is the most compelling responsibility of every alert and intelligent citizen of this country to do so.

We should bear in mind the spirit in which this bill has been conceived. If the bill is passed let me assure the house that it will have far-reaching effect, much more so than many of its supporters presently think. Without even considering the financial merits of the proposition as submitted by the government of British Columbia, this bill will bring still greater centralization, regimentation, red tape and injustices to the provinces. This bill will create a precedent and a further basis for the invalidation of provincial jurisdiction. By this edict the government could well seize existing plants and embark still further on enterprises financed by the already overstrained taxpayers of our country. There is already too much government interference and government monopoly in fields which could well be serviced by private enterprise and without costing the taxpayers of this country one cent.

This bill will discourage the formation and flow of new outside capital to our country, upon which the progress of our country depends to such a great extent. To continue to discourage little by little the invitation of outside capital to share in the development

of our great country means a forward step for socialism, which if left unchecked may well mean that while in the international field we may be able to stem communism, in domestic affairs we may well have a socialist state.

Last but not least, this bill may alienate friends and bring controversy, misunderstanding and harmful counter-measures from our great neighbours to the south. As was emphasized yesterday, the atmosphere in which the international joint commission meets is quite delicate. What more harmful act could be done at this time than to introduce a bill which will produce nothing positive but which will damage further the negotiations which are being carried on.

To understand the problem completely we must know what is being attempted. It goes without saying that no fair-minded member of this house should possibly quarrel with the objectives of this bill unless he knows what are the implications of this bill. I refer hon. members of this house to the statements made by the hon. member for Lethbridge (Mr. Blackmore) as well as quotations made by men well versed in the details of the dispute.

In introducing this bill the minister took up three and a half pages of *Hansard* in arguing long but not well the reasons for the bill. What the house should know are the real facts which at this late date spark this bill. I would like to quote what the minister said as reported on page 871 of *Hansard* of February 4, 1955:

> Obviously it would be a short-sighted policy indeed that would jeopardize the power resources of Canada for a short-term advantage, or for an inadequate return.

That is sound theory, but what are the facts? May I again quote Mr. Sommers, who should know. He stated in his radio address:

> Southern British Columbia now has ample power available to it for the maintenance of existing industry. Southeastern British Columbia has a tremendous potential of power from the Columbia river system that can supply our needs for the foreseeable future. At the present time we have available 75,000 kilowatts of power surplus to our needs in the area. Furthermore, there are several very attractive sites for future development when the need arises.

Other speakers have given a vivid picture of the untold potential in the matter of water power that exists in British Columbia. If we couple that information with the fact that we are making tremendous scientific advances in the field of atomic energy, then I believe that the argument that we will be power hungry in a few years is absolutely unfounded. The possibility of building atomic plants to generate power is even now before us. To illustrate my point may I read an

article by the Associated Press from Halifax dated Saturday, February 5, 1955:

> Nova Scotia Weighs Atomic Power Plant
>
> The Nova Scotia Light and Power Company said it is studying the possibility of building an atomic plant to generate electric power.
>
> The disclosure followed a statement by Premier Henry Hicks in Ottawa that the provincial power commission has been invited to consider building such a plant.
>
> The company said preliminary discussions have been held with Atomic Energy of Canada agency at Ottawa.
>
> It added that the discussions led to Nova Scotia Light and Power proposing to Atomic Energy of Canada that the two join in constructing an atomic-energy power producer of about 20,000 kilowatts in this province.
>
> Premier Hicks, who also is chairman of the Nova Scotia Power Commission, said the commission had been invited by Atomic Energy of Canada to take part in the construction of a prototype reactor capable of generating 20,000 kilowatts of power.

A more recent example of additional sources of electric energy and projected plants to feed electric energy into power-hungry places appears in the New York *Times* of February 11, 1955. I quote:

> Edison Will Build Atom Power Plant
>
> Reactor near Peekskill, first privately financed, will supply city electricity.
>
> The country's first private atomic electric power plant will be built near New York city.
>
> He said the company hoped to apply for a licence from the Atomic Energy Commission before April 1. Consolidated Edison is the first utility company to tell Congress it is ready to go ahead, without government aid, since the Atomic Energy Act of 1954 opened the door to private industry for peaceful uses of the atom.

It seems to me science may yet find ways to crack the energy problems in the future by the utilization of other metals, and new scientific vistas will open an enormous area of possibility. This, in addition to the already outlined future potential of British Columbia water power, would indicate that there need be little concern over any possible shortage of energy in the foreseeable future.

As regards compensation, what more sensible arrangement could have been advanced than that outlined by the government of British Columbia? Mr. Sommers indicated the generous terms of compensation. I should once again like to quote from his radio address respecting this very point. He said:

> Now what do we receive in a tangible return for permitting the storage of our surplus water?
>
> This province will have delivered to it, entirely free of charge, 20 per cent of the amount of power generated at American plants on the lower Columbia river available from the net storage of some three million acre feet of water held by this new dam. This 20 per cent will amount to not less than 42,000 kilowatts annually available for the development and expansion of industry in those areas of the province where there is a need for power, or for sale elsewhere at the highest possible rate. There is also an agreement that if a heavier delivery of power is needed over any specified period, this extra power will be forthcoming.
>
> What does 42,000 kilowatts mean in the way of financial return? Using a very conservative figure of $20 per kilowatt year, it means more than $800,000 annually. Add to this the annual taxes accruing to the province from this project of $275,000 and we see a minimum annual income of over $1 million guaranteed for 50 years.

We have heard arguments regarding the damage which will be caused by flooding, but extensive damage could not be done by a low level dam at this point. It is possible that a high level dam might create some damage, but I understand that after extensive research and test borings in the area there is no possibility of a high level dam being built and thus very little possibility of any serious damage to agricultural and community property.

Mr. Sommers, in his radio address over CBU on November 29, 1954, stated:

> Such a dam will not cause flooding of the Arrow lakes area as the water level will be held where it will not in any way damage existing communities, farm areas or transportation facilities.

In a letter dated January 4, 1955, from the Minister of Northern Affairs and National Resources (Mr. Lesage) to Mr. W. D. Crowder, secretary-treasurer of the Trail chamber of commerce, the following appears, and I quote from page 3 of the letter:

> It is estimated that as much as 4 million acre-feet could be stored without damage to agricultural land and that five to six million acre-feet could be made available without any serious flooding costs being incurred.

Mr. Speaker, let us now proceed to page 873 of *Hansard*, dated February 4, in which the Minister of Trade and Commerce (Mr. Howe) is reported as follows:

> In guarding the national interest, we must be sure that any arrangements between Canadian and American interests are concluded at arm's length; that they are bound up in long-term contracts between responsible utilities; and that the recompense in power or cash for the resultant benefits in the downstream country bears a close relationship to a fair market price of the electricity so generated, as well as to the value to Canada of alternative water resource developments solely in this country.

In reply I should like to point out that this is precisely the motive behind the proposition advanced by the Social Credit government of British Columbia. On page 874 of *Hansard* for the same date the minister is reported as follows:

> In conclusion, I would like to emphasize again that the authority asked for in this bill will enable the Canadian government to ensure that development and utilization of Canadian water resources covered by this legislation will be carried out in an efficient manner, thus protecting the national interests of this and future generations.

Hon. members will have noticed that international law and international practice have had much to do with the drafting of this bill.

One would think from the minister's remarks that the federal government alone is concerned in protecting the national interest of this and future generations. As a matter of fact, the inference is that the government of British Columbia is not so concerned. But surely the Liberal federal government is not claiming that it has a monopoly of wisdom, because if it is then I would like to know where one could find a better example of political society steeped in self-admiration.

Surely the people of Canada and the elected representatives of the government of British Columbia deserve some credit for foresight, and this government cannot alone insist, as seems to be the case, that it is not only the judge but the jury and policeman in deciding what is good for the people of that area.

The reference to international law and international practice is not important in regard to this measure. The important question is whether this parliament should have the authority to write domestic laws through international treaties which nullify provincial laws and the wishes of the people involved. What is the point of electing men to legislatures and then having this parliament nullify decisions which they make on matters purely local?

Surely this thought must have disturbed the Secretary of State for External Affairs (Mr. Pearson) when, speaking at the United Nations, he said:

I wish to make it clear here . . . that, in regard to any rights which are defined in this document, the federal government of Canada does not intend to invade other rights which are also important to the people of Canada. By this I mean the rights of the provinces under our federal constitution.

I feel certain the people of British Columbia and of Canada as a whole will see through this high sounding reference to international law and practice. As a matter of fact, this entire dispute reminds me of an incident that took place in Alberta not long ago during the last provincial election. At that time the Social Credit government of Alberta insisted that if they were again elected they would adopt an export policy under which the great surpluses of natural gas in that province would be shared with the rest of Canada. At that time the Liberal politicians ran up and down our province crying the blues and telling the people what a great calamity would take place, and that we were bartering our rightful heritage. As soon as the election was over and the Social Credit government of Alberta was returned stronger than ever, the provincial Liberals hung their heads in shame, while their federal counterparts went around the country insisting they were for the export of gas from the very beginning. Just how inconsistent can people be?

Let me inform this house that that very inconsistency on the part of the Liberal politicians was responsible for uniting the people of Alberta. I maintain that this same Liberal inconsistency will result in the people of British Columbia rallying to the cause of the Social Credit movement more strongly than ever. This inconsistency was referred to by Mr. Sommers in his remarks in the speech from the throne debate as well, and at page 24 of his address there are these very pertinent remarks:

Again I feel I cannot let this opportunity pass without mention of the inconsistency of federal authority thinking as between recent authorization of export of natural gas and oil from Canada to the United States and this matter of water. Surely these decisions must have been predicated on the assumption that provincial needs would be filled first and the balance that was not required locally would be available for export. This is a reasonable approach with which we have no argument, but we do suggest that the policies relative to export on one natural resource should extend to another, as in this case, water.

We have an immediate potential of 2,730,000 horsepower on the Columbia river alone which would meet all local power needs of that area for 50 years by conservative estimate. Yet we are faced with the threat of a federal veto. Surely this would seem to be a case of the federal authority being entirely willing to approve export of a non-renewable resource yet attempting to place obstacles in the development of an otherwise wasted renewable resource such as is involved in the proposed Arrow lakes development.

It is in the light of these examples of recent, yet apparently now bygone, federal policy of non-interference in domestic affairs that this government is surprised, to say the least, to find that the federal government, on questions of water resource development in B.C., has changed its hitherto consistent policy to an active one of non-co-operation.

It seems to me, Mr. Speaker, that the real cause of this dispute is a very simple one. It involves a story of one federal minister voicing objection to the British Columbia proposal, then running to Ottawa to rally the support of yet another minister who, we all know, packs a heavier punch, who in turn rallies the support of the well-disciplined, solid majority on the government side of the house to veto the lawful and thoughtful actions of the elected representatives of the people of British Columbia.

As I listened to the support that was being given the bill by certain individuals in the socialist ranks, it seemed to me that it focused our attention on yet another great problem in our country, a problem that was probably the result of the war years. I refer to the problem of centralization and

bureaucratic control. It is obvious that the socialists are justified in supporting the bill because, after all, it does cut down on the rights of the provinces.

Let me draw the attention of hon. members in the C.C.F. party to this point. While some of them may be supporting the bill because of socialist principles, it seems to me that the wool has been pulled over their eyes because there is a very strong possibility that the bill was introduced to protect vested interests in the province of British Columbia. In the same letter to the Trail chamber of commerce, dated January 4, 1955, one of the arguments advanced by the Department of Northern Affairs and National Resources is:

> The terms of the agreement proposed by the B.C. government will have an unfavourable effect on the Canadian aluminum industry, particularly in British Columbia.

While it is certainly my wish that every industry in British Columbia prosper, are we to take it that the interests of one particular industry are more important than and overshadow the interests of the people of British Columbia? As Social Crediters, we will fight this bill in order to prevent the curtailment of a province's rights, because our concepts and political beliefs with respect to life and government call for greater and greater decentralization of power which is the only way to preserve the rights of the provinces and the worth and dignity of every individual in these respective communities.

Until better arguments are advanced by the government side, I am sorry to say that it is my view that the bill is intended for only one purpose, to bully the province of British Columbia into submission to federal dictates in a matter primarily local in character. While we Social Crediters are men of peace and harmony, we will fight because we certainly dislike bullies, especially if they are political ones.

I trust that the hearings and submissions before the external affairs committee, to which the bill is being referred, will indicate that the bill is not another classic example of the Liberals, assisted by their socialist C.C.F. midwife, giving birth to illegitimate and prejudicial legislation. I know of no other time when fuller and freer discussion was more necessary on an important matter.

The most effective contribution which hon. members can make to the cause of maintaining provincial rights and harmony in our nation depends upon a clear exposition of the nature of the dispute which prompted this measure and the high-handed methods of the government in dealing with one of the great provinces of this country. We of course are opposed to the bill first of all because it is contrary to the best interests of the people of British Columbia. We are opposed to it because the bill is against the proper economic development of that province and against the best interests of a united Canada. The only interests which the bill seems to favour are the best interests of a few politicians and the Liberal party which seems to be more interested in perpetuating itself in office than in having concern for the little people of the country.

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, I had not intended to enter this debate at all because I am of the opinion that unless you know something about constitutional law or are an engineer you should wait until you hear the facts in the external affairs committee.

Mr. Blackmore: Too late then.

Mr. Goode: May I give my young friend, the hon. member for Edmonton East (Mr. Holowach), a little friendly advice. He has only been here for a very short time, but he will find that the external affairs committee consists of rather important members of the house who take their work most seriously. I think he will also find that his leader will make sure that the evidence brought out before that committee is to the point and not irrelevant.

My hon. friend brought me into this debate because he founded his speech upon a talk made over radio station CBU, Vancouver, on November 29 by the Hon. Mr. Sommers. I understand that he was making use of free political time on the air. The speech was considered both by listeners and by the Social Credit party as being a political speech. It was a good speech. I gave the Hon. Mr. Sommers full marks for it. It presented the provincial government's view on this matter but it presented it as a Social Credit political idea. No one will argue about that, certainly not my hon. friends opposite. The speech went on to attack the federal government with respect to a supposed veto. Undoubtedly a minister of the provincial government of British Columbia has that right when making use of that type of radio time, but it was a political speech.

Two days later the speech, printed by the queen's printer in Victoria on the order of the minister who had made the speech, was issued to every elementary school in my riding. It was sent under the stamp of the queen's printer and mailed to these schools for the extension of that information to the pupils there. I resent most highly, Mr. Speaker, as I am quite sure my hon. friends of the Social Credit party sitting in this house

resent methods of that kind. When we have a political matter to debate, my hon. friends and I will fight it out in this house and we will not use school children in the riding for political purposes.

Mr. Hansell: Might I ask one question at this point? Do the cabinet members of the various provinces enjoy franking privileges? Because, if they do not, the member has left the impression that this material may have been sent out by members in this house.

Mr. Goode: May I clear that up? That is a good question. This speech I have on my desk was received from the principal of one of my schools. While I was in his office the mail arrived and that letter was stamped by the queen's printer's meter, and the hon. member will accept my word, I am sure, and will investigate that in my riding. This was sent from the queen's printer, Victoria, and if it was sent on the order of the provincial minister then I feel the matter was handled in a most despicable manner. If it was paid for by the Social Credit party for mailing and printing, then the matter is much more serious because it was sent for motives that I certainly will not impute to my hon. friends across the chamber.

Now, we have got to the position, Mr. Speaker, of taking matters of this kind, which are most important to this country and very important to British Columbia, to each and every kiddy in my schools with only one purpose and that is the support of the Social Credit government in British Columbia. In view of this fact, I must rise in my place and make the protest that I have made.

Mr. Ray Thomas (Wetaskiwin): This Bill No. 3 which we have before us, Mr. Speaker, in my opinion is one of the most transparent outrages that has ever been perpetrated against the provincial governments of this country. It is nothing more or less than an attempt to crack the whip and beat one of these provincial governments into submission. I am going to point out to the government that their whip-cracking tactics will not do a bit of good because we Social Crediters have developed beyond the ox-cart type of government they apparently think we are, so a whip will not have any effect on the streamlined, mechanized type of government we Social Crediters have. This government tried that a few years ago against the province of Alberta, and they failed miserably because Alberta bucked them every step of the way. I might as well serve notice now that the Liberal machine, in spite of all the tactics they adopt, will never stop the march of Social Credit across this country.

The hon. member for Kootenay East (Mr. Byrne) based quite an argument the other day on the serious damage that might be done the economy of British Columbia and of Canada through the export of water. Then we listened to the eloquent and passionate appeals of the member for Vancouver South (Mr. Philpott) and the Minister of Northern Affairs and National Resources (Mr. Lesage) against the export of power and of water. They mentioned the fact that future generations might be affected by the action of this generation. Let me just quote from the minister's speech at page 1036 of *Hansard* for February 10, 1955. He said:

> As I was saying, I had always thought of the hon. member for Lethbridge as a man of vision, but this afternoon it seemed to me when he was speaking about huge surpluses of power in British Columbia at this time he was forgetting what had happened in other provinces of Canada. Not so many years ago some people in authority in Ontario were claiming the right to export power to the United States. They based their demand on the fact that there was a huge surplus of power in their province, a surplus which would exist for generations. The hon. member for Lethbridge was making the same plea this afternoon. Only 20 years later—

The minister was interrupted at that point by a question of privilege by the hon. member for Lethbridge (Mr. Blackmore). It was answered, and then he goes on to say:

> Well, I believe it is exactly the same situation. Today Ontario is in a position where her last source of power is the St. Lawrence seaway development; and after that there is nothing else. And when we think how young our country is it will be realized that I am using the right expression when I say that a deal like the Kaiser one is equivalent to selling down the river or giving down the river the possibilities of power development in this country at this time. Future generations, or even ourselves, would regret it—and in a very few years' time.

Then he goes on to say, on the next page:

> I do not believe that the needs of the United States should be our criterion when we decide what we are going to do with our natural resources. Of course, the hon. member for Lethbridge said in his speech that he was basing his talk on the radio speech of Mr. Sommers to the effect that British Columbia would get 20 per cent of the additional power that would be generated downstream in the United States by the storage of the water, and also 20 per cent of the additional power which would be generated by any future installations.

Now, Mr. Speaker, that statement is nothing less than a distortion and a misrepresentation. There is not going to be any exportation of power into the United States, and there is not going to be any exportation of water into the United States. In addition, this scheme does not in any way affect any present or future power potential in that section of the country. I want to make that

absolutely clear. As a matter of fact, in his address in reply to the speech from the throne Mr. Sommers had this to say about these developments. He was referring to a map which had been placed in front of the members, and he said:

> The map before you shows the location of known major potential power sites and developments in the Columbia basin in British Columbia as well as the hydro-power installations which have been constructed. The at-site power development should be in an orderly sequence following creation of the necessary storage and regulated flow. Such storage can be adequately provided in the Arrow lakes and behind the proposed Mica dam. The orderly sequence of at-site power development may then be undertaken in the following order, and in point of fact in some instances could be developed concurrently:

This is the order that was laid down:

> 1. Bring Waneta No. 1 up to its full capacity of 500,000 h.p. by the installation of two additional generators.
> 2. Waneta No. 2 to be developed giving an additional 500,000 h.p.
> 3. Mica at-site power 800,000 h.p.
> 4. Downie creek at-site power 500,000 h.p.
> 5. Little Dalles at-site power 300,000 h.p.

This is an interesting and important fact.

> 6. Murphy creek, valueless without the Mica and Arrow lakes storage, however with this storage it will give at-site power of 130,000 h.p. without any loss of head at Brilliant.

So that, far from endangering any future power developments this low-level dam on the Arrow lakes can ensure future power developments below that site which they could not possibly have otherwise—or without installations at Mica creek, one or the other.

So, in spite of the assertions of the Minister of Northern Affairs and National Resources (Mr. Lesage) and the hon. member for Kootenay East (Mr. Byrne), this thing can be of tremendous value, so far as future installations are concerned. And I think that is a fairly important consideration.

Those who are opposed to our view, those who favour the bill, have mentioned without exception what would happen if the federal government in the United States refused to export power into British Columbia. It would be simply this: If the United States government refused to allow the export of power into British Columbia, then the British Columbia government could take cash.

And that brings up another point. Speaking on this subject yesterday the Minister of Northern Affairs and National Resources said this, as reported at page 1038 of *Hansard*:

> Moreover this 20 per cent, which is supposed to come from Bonneville, would be an export of power from the United States to Canada. What would happen if the federal power commission refused a licence to export that 20 per cent from the United States to Canada? Where does the British Columbia government stand on that deal? Nowhere. The only guarantee it has is a guarantee of moneys.

And that brings up an interesting point. What does it bring into British Columbia?—nothing but money! That is a typical Liberal outlook on money. They have no realization of the value of money put into provincial or federal coffers, unless it comes from taxation. But we certainly have. And it is high time the government of Canada came to realize that we can get money for the welfare of the people without taxing the daylights out of them. And this is one way in which the British Columbia government is going to obtain a million dollars a year or a little more, without adding to the taxation carried by the people of that province. And they are not losing anything by it.

What kind of thinking can the members of this government and their back-slapping backbenchers be doing when they think that the only place money can be obtained is out of the pockets of the taxpayers?

An hon. Member: Who said that?

Mr. Thomas: It is just the same as if the Imperial Oil company were to say that the only place they can get gasoline is out of the gasoline tanks of the consuming public.

And I quite understand, too, the hon. member for Kootenay East interjecting so often, because he feels that his speech yesterday in support of the bill was so weak that he has to get in his afterthoughts by way of interjections during the speeches of other members.

Mr. Byrne: After all, I had only 40 minutes.

Mr. Hansell: And you did not take all of it.

Mr. Thomas: Probably he gave up because he realized he did not have much of a case, and that in that respect he was in the same position as the Minister of Northern Affairs and National Resources. The only way he had of supporting his stand in the matter was by bringing in misrepresentations.

Mr. Byrne: Who is she?

Mr. Thomas: I will give you her phone number after I have finished.

Mr. Fulton: What a high-level debate!

Mr. Thomas: At no time has any of the members who have spoken in favour of the bill considered the fact that water is going through that area anyway, and that probably it always will. The Social Credit government in British Columbia is the only government, not only in the history of British Columbia but also of Canada, that has realized the value that can be derived from the flow of that water.

Mr. Byrne: How much money have they put into the Columbia basin survey?

Mr. Hansell: You would not know; you tell us.

Mr. Byrne: The federal government put in $4 million for study.

Mr. Thomas: That is fine, and it shows once more the common sense of the British Columbia government; because they have been using the surveys carried out by the federal government to give themselves a source of revenue that otherwise they would not have had. They are simply taking advantage of the $4 million that the hon. member says the federal government has spent. And do not think we do not appreciate the fact that they did spend it. But what is the use of having a survey, if you do not take advantage of it? And that is exactly what the British Columbia government is doing.

And you should remember this, too, that when the Mica creek project is carried out at some time in the future—probably it will not be for another 10 or 15 years at least—the need for the low-level dam at Castlegar will be ended. But we still have a 50-year contract worth a million dollars a year because the Kaiser corporation needs the power now. And if we are going to sit back and wait for the Mica creek project to become a reality, we are going to lose several millions of dollars during that period of waiting.

But apparently that is what the federal government wants. Yesterday the Minister of Northern Affairs and National Resources denied that there was any political interference; and then he spent about 15 minutes—ineffectually I might say—in an attempt to tear down the British Columbia government, at the same time making what I considered was an inconsistent and emotional appeal, rather than one stating facts.

Mr. Byrne: What about the Social Crediters in the House of Commons?

Mr. Thomas: Apparently the Social Crediters in the House of Commons have you tied up so badly that you have to interject all the time. You could not prove your point yesterday.

Mr. Byrne: You are not proving it today.

Mr. Thomas: And you cannot prove it now.

An hon. Member: He can't prove anything.

Mr. Thomas: Now we come to the main point, where the government says that anything in the national interest is going to be protected by the federal government. Well, I have heard that so often it is quite apparent to me that what they consider to be in the national interest is something that would be in the interests of the government of Canada, and more particularly of the Liberal party. It has nothing to do with the welfare of Canada, at all. If this project is of such great national importance, as indicated by the Minister of Trade and Commerce (Mr. Howe), then why have the only members taking part in the debate been those from British Columbia and Alberta—that is, with the exception of one weak and faint-hearted effort by an hon. member from New Brunswick.

The government says: Oh, we are unwilling to give any grants for educational aid to the provinces because in some small way we might interfere with provincial autonomy. That is a weak argument—when they are willing to walk all over a province in order to do something to justify their own desires. They are afraid that the Social Credit government of British Columbia might be given credit for making a good deal with the Kaiser corporation, and they are trying to prevent the province from getting that credit. This government tried the same tactics in Alberta, but it failed.

Yesterday the hon. member for Vancouver South (Mr. Philpott) accused us of talking blue ruin all the time. Well, the Liberal party in Alberta has been yelling blue ruin for 20 years. In spite of all these yells of blue ruin in Alberta we have progressed to the point, through the policies of the provincial government, that the Minister of National Health and Welfare (Mr. Martin) in another debate the other day rose in his place and asked whether the provincial government of Alberta would be in need of this assistance from the federal government. Apparently he thought we were too well off to need that assistance. That is how far we have gone behind, and it shows the absolute untruth of the cries of blue ruin and lack of integrity and the lack of ability of the Social Credit government, that they have not been able to succeed and they will not be able to succeed in British Columbia.

In speaking on this measure the other day, the Minister of Trade and Commerce named specifically the Columbia river basin and the Milk river in Alberta. When questioned he said he did not think the Saint John river was applicable to this legislation. Apparently, the minister is not too familiar with his geography, because he forgets that the west branch of the Saint John river rises in the province of Quebec, flows through the state of Maine and back up into the east branch of the Saint John to form the international boundary between Maine and New Brunswick. Therefore, there definitely is an application so far as the Saint John river is

concerned. I am saying this for the benefit of the hon. member for Victoria-Carleton.

Mr. Montgomery: He already knew that and spoke of it himself.

Mr. Thomas: I am glad the hon. member said that because I am absolutely amazed at the statement he made in the house last night and I am going to read from his speech.

Mr. Fulton: It will be a damn sight better than the one you are making yourself.

Mr. Thomas: That is your judgment, but it will not get you anywhere. Here is what the hon. member for Victoria-Carleton said, as reported at page 1053 of *Hansard:*

> I am not going to take very long in this debate, because I do not want to become involved in any dispute between parties sitting to my left and the government. I am not particularly concerned whether or not a dam is built on the Columbia river—although thus far the debate has been directed to that one province.

He went on to say:

> The minister may not intend that this measure should apply,—

He was referring to the Saint John river. I continue:

> —and no doubt it would not be made to apply; but if the measure reaches the statute books in its present form I am afraid that it could be so interpreted. Therefore when the bill is in the committee stage I suggest that it should be made more specific, and the interpretation of what constitutes an international river should be set out more clearly, so that there could be no doubt about it. It would be preferable to have rivers like the Saint John and the St. Croix listed as exceptions.

In the closing paragraph of his speech he said this:

> I am not saying that I support the bill as it is, but I do support the principle.

If the application of this bill could prove to be damaging to the people of New Brunswick, if it is made to apply to the Saint John and the St. Croix rivers, then it is equally damaging to the people of British Columbia, as far as the Columbia river basin is concerned.

Mr. Johnston (Bow River): Not in his judgment, though.

Mr. Thomas: How in the name of heaven can an hon. member rise in his place in this house and say: I do not care how much it damages other people so long as it does not apply to me personally or the people I represent. I wonder what the hon. member would say if he introduced legislation to help the potato growers of his riding, and we said: we are not interested in the potato growers because it is not of local interest; throw it out. We are just as interested in the people of New Brunswick in this regard as we are in the people of Alberta and of British Columbia, and if it is dangerous to us, then it is dangerous to them. If it had no application to either one of those provinces and applied only to New Brunswick, if we thought it was an infringement upon the rights of the province of New Brunswick, we would certainly back it up.

Some hon. Members: Oh, oh.

Mr. Thomas: We would certainly vote against it, and strike it down, if at all possible, and I would expect the hon. member for Victoria-Carleton to take the same stand on something that he does not want for his own constituents.

Mr. Johnston (Bow River): He never thought of that.

Mr. Montgomery: The only thing is, you are a little previous. We have not come to a decision to know where we stand on that yet.

Mr. Thomas: The hon. member made it perfectly clear that he did not know whether he wanted to support the bill as it stood, but he was in favour of the principle.

Mr. Montgomery: Certainly.

Mr. Thomas: In spite of the fact that he did not want it to apply to his own people. It is all right if they clamp down on British Columbia so long as they do not touch New Brunswick. That is not an attitude that an hon. member should take in this house on a bill of this magnitude.

Mr. Montgomery: That is only your opinion.

Mr. Thomas: Talk so we can hear you. It is on *Hansard*, and I quoted it.

Mr. Montgomery: That is all right; that is only your opinion of my stand.

Mr. Thomas: There can be no mistake so far as the interpretation of that statement is concerned.

As was mentioned before, the whole argument of those speaking in favour of the bill seems to be that British Columbia is exporting water, or power, or both. They are not exporting anything, Mr. Speaker. When he spoke yesterday the hon. member for Vancouver South (Mr. Philpott) said that this agreement could well upset the delicate plans of negotiations of the international joint commission; that he regretted very much that this thing was pushed in at this time because of the nature of the negotiations, and that we might throw everything that we have ever done out the window.

Mr. Byrne: That is precisely the argument.

Mr. Thomas: Precisely the argument of the hon. member for Kootenay East. I wonder what could be more damaging to the negotiations now under way, and what could be more damaging as far as the attitude of the United States is concerned, than to pass a bill that is going to stop the province of British Columbia from storing water within British Columbia so that the United States can make an orderly use of that water and get a better development out of that water than they are able to do now.

Mr. Blackmore: It is like a dog-in-the-manger attitude.

Mr. Thomas: It is amazing.

Mr. Low: Co-operative effort!

Mr. Thomas: It is amazing how utterly ridiculous some of these statements can be. On the one hand they say we have to protect our resources; we cannot give United States anything if it is going to endanger ourselves. I quite agree with these things. The fact remains that we are not exporting power; we are not exporting water; we are not losing anything.

Mr. Hahn: We are exporting good will.

Mr. Thomas: As the hon. member for New Westminster just said, we are exporting good will, and the Kaiser company is quite willing to pay handsomely for that export.

The Minister of Northern Affairs and National Resources (Mr. Lesage) said: "What is money?" What is a million dollars? I can understand that attitude when they are bleeding the people of this country as long as they have been without any regard whatsoever for saving money or cutting down expenses. What do we care? All we have to do is slap on another tax and the people will pay it. That is the attitude of the Liberal government, and always has been. As long as we can bleed the money out of the people, we do not have to care about money, and why should the province of British Columbia worry about money? I can tell you why they should. They have a deep-down heartfelt feeling for the welfare of the people within that province.

Two or three times during this debate there has been talk of a 50-50 basis. It makes me think of a sandwich that I once bought in a restaurant where it said on the menu under "Sandwiches" that the sandwich was half beef and half chicken. Upon opening up the sandwich I could find only one small sliver of chicken, the rest was all beef. I said, "I thought this was supposed to be half beef and half chicken". They said, "It is half a beef and half a chicken". That is exactly like the 50-50 proposition that this government has been getting out of all international negotiations. In anything they have carried out so far that is about all they got out of it. The St. Lawrence seaway is supposed to be for the welfare of the people of Canada but this government is outpaying the United States 6 to 1 in order to get a 50-50 proposition.

Mr. Johnston (Bow River): That is for the benefit of the people of Ontario mainly, don't forget that.

Mr. Thomas: As a matter of fact I cannot think of one instance in their dealings with any other country that this government has ever driven a good bargain. For some reason or another they always come out second best.

An hon. Member: Prove it.

Mr. Thomas: The hon. member says, "Prove it". I cannot think of a better example than the British wheat agreement where about $450 million was lost to the farmers of this country. Just to stick on this same subject of rivers, in negotiating the boundary with the United States between Maine and New Brunswick, when it was decided that the boundary would be the Saint John river they took the east branch and let the state of Maine get all in between the east and the west branches, approximately 20,000 to 25,000 acres being given away. Just big fellows.

An hon. Member: We will get it back.

Mr. Thomas: You will get it back all right. The hon. member for Okanagan Boundary (Mr. Jones), when he was speaking yesterday, seemed to think that the trouble arose out of the failure of the British Columbia government to co-operate with the international joint commission. Nothing could be further from the truth. On the contrary, they set up the very commission with the personnel recommended by General McNaughton. How much more could they co-operate?

The hon. member for Okanagan Boundary said that the British Columbia government should give in on this thing and come to the federal government to make peace. No provincial government in Canada has yet come to the federal government asking permission to carry out a project which is of strictly provincial concern, and they are not going to. It is ridiculous to have that sort of reasoning by a member of parliament. Just let the federal government pull in their horns, withdraw this bill and ask the British Columbia government to get together for a conference on this thing and I think you will find the British Columbia government will be only too ready to co-operate.

The Minister of Trade and Commerce (Mr. Howe) has told us how he is concerned about

the exportation of water, the exportation of electricity, the exportation of gas or oil; that we must conserve all these for the Canadian people. I agree entirely, but while he is saying this the Department of Trade and Commerce is exporting atomic materials which could be used for the production of power. Let us not forget that the radioactive substances which are being exported are extremely expendable. It is quite conceivable that we could exhaust our radioactive materials within a reasonably short time. Yet we are exporting these and nothing is said.

The minister gets up and with a great flourish talks about conserving our water resources. How are we going to hold this water back until somebody gets ready to develop it? It is going down across the border now. We are not exporting any water. As I mentioned a moment ago, we could be exporting a lot of good will by allowing the United States government to take advantage of the storage of water in British Columbia to enable them to make a more advantageous use of the waters of that river for down-river power expansion.

I cannot think of anything which would be a greater gesture of good will toward the people to the south than to do that very thing. Yet the government says that it cannot be done. The only reason that they have given so far is that there is a Social Credit government in British Columbia. That is cockeyed reasoning. The Minister of Trade and Commerce had better revise his thinking as far as his cockeyed expressions are concerned.

We are certainly going to vote against this and fight against this. This indicates the most flagrant disregard for provincial autonomy that has ever been perpetrated within this country.

Mr. Fernand Girard (Lapointe): Mr. Speaker, I rise to say a few words in this debate and to support the Social Credit party in its protest against this attack upon provincial rights. I do this because I consider it to be my duty as a member from Quebec to state that whenever there is an attack on provincial rights in Quebec or in British Columbia every member should fight to protect the plurality of governments which is the basis of our constitution.

Last year when the tax agreement problem was before us we members from Quebec rose to speak not because we were nationalists, not because it was a local question, as suggested by the hon. member for Okanagan-Revelstoke (Mr. McLeod), because it was a matter affecting the rights of the provinces.

I shall not attempt to indicate approval or disapproval of the selling of power to the Kaiser corporation since that is a decision which must be taken by the British Columbia government. That is their own business. But I do oppose centralization. Centralization is as dangerous in British Columbia as it is in Quebec or any other place in the country.

(Translation):

Mr. Speaker, the point at issue at this moment concerns natural resources in a province whose provincial rights will be infringed upon. Little by little the federal government continue their centralizing activities. They wish to extend their control in this field as they have already done in the field of education by offering university grants while recognizing that this is a provincial responsibility. The same holds true in the fields of transportation, taxation, health, and many others.

That is why I felt it to be my duty to rise and support the Social Credit members who rightfully insist that provincial governments be left free to decide those questions which fall within their jurisdiction.

(Text):

Some hon. Members: Question.

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

Mr. E. G. Hansell (Macleod): Mr. Speaker, the longer this debate continues the more obvious it becomes that this is a political measure.

We have heard a great deal from speakers on the government side of the house with respect to their desire to protect the national interest. But it has already been pointed out by previous speakers that the premiers of the provinces of Canada are just as good Canadians and just as patriotic as any member of the government which sits in this house.

Furthermore, I might add that you cannot have any national interest without safeguarding the welfare of the provinces. I would like to know how the action of the British Columbia government with respect to this Kaiser power deal is going to depreciate in any way the interests or the welfare of any other province in Canada. That is a point those on the government side of the house, including the Minister of Trade and Commerce (Mr. Howe), and the Minister of Northern Affairs and National Resources (Mr. Lesage), have failed to answer despite their declared interest in the nation and their desire to introduce legislation to guard provincial powers in the national interest.

I cannot emphasize any more strongly than speakers who have preceded me that there is another motive in presenting this bill and it is a purely political motive. The arguments

presented throughout this debate and as they can be read in *Hansard* will leave no question in the minds of the people of Canada that there has been nothing said that could possibly contradict the contention that this move now being made by the federal government is for a political purpose. That political purpose is to discredit the Social Credit government of British Columbia.

But I would point out, Mr. Speaker, that in the long run it will not do so, and I predict that this measure is going to backfire. I have no authority to say this and indeed it is only within the power of the premier of British Columbia to take this action, but I am quite certain that if the government of British Columbia called an election on this issue they would wipe the slate clean of any Liberals now sitting in that legislature. I do not suppose this government here would wish the British Columbia government to do that, and indeed I do not suppose the provincial government would go to the polls on that issue, for they would rather rely on their record, but I do not believe there is any doubt as to what the result would be if that action were taken.

I have some responsibility for keeping my fingers on the pulse of the political situation in Canada and I am quite certain this federal government would not wish to face an election of that sort in British Columbia.

I have listened carefully to previous speakers and with particular interest to the speech of the hon. member for Vancouver South (Mr. Philpott). The hon. member started his speech, as reported at page 1048 of yesterday's *Hansard*, by referring to the vein which this debate had taken. I would like to quote a sentence or two. The hon. member said:

> I am going to try my very best tonight to do a little bit of peacemaking. I think the vein which this debate has taken is a bad thing for Canada, is a bad thing for British Columbia, and is a bad thing for this house.

Later on he said:

> What we are dealing with here is not the Kaiser dam but a very important national responsibility.

If the vein of the debate ran such a course as to bring up the matter of the Kaiser dam, I would like to know who set the pattern for that type of debate.

Mr. Lesage: The hon. member for Lethbridge (Mr. Blackmore).

Mr. Hansell: The pattern was set a long time ago when responsible cabinet ministers went out to British Columbia and shot off their mouths. That was when the pattern was set. My leader says: "Irresponsible cabinet ministers". Well, they certainly were irresponsible in their actions at that time. I am not a psychologist or one who is particularly expert in diagnosing human frailties, but I will say that their statements out in British Columbia reflected the frustration of the politician. They were frustrated because they had been swept out of office in British Columbia and did not know which way to turn to gain recognition and favour with the people so that they might get back into office. They were frustrated, and they are today, and they said to themselves: "We are out to destroy the Social Credit government and we will kill anything they do if we can find any grounds upon which to do so".

Why did not these responsible ministers, responsible at least to the country and to parliament, get together if they recognized a danger in putting over a deal of this kind and say: Now, listen, this is a very bad thing; we will have to have a conference with the British Columbia government and see if we cannot persuade them that this thing is not in the national interest? Oh no, they did not do that—no, no. Their frustration led them to say: We will kill it even if we have got to tunnel through some mountains and divert the flow of the water of this river into the Fraser river.

Mr. Low: Silly.

Mr. Hansell: Silly. The Minister of Northern Affairs and National Resources looks up. Yes, sir, we say that is silly.

Mr. Lesage: I had not known you were a water resources engineer.

Mr. Hansell: What I am going to say is—

Mr. Byrne: How many engineers do you have over there?

Mr. Dickey: They are always engineering something.

Mr. Hansell: If the government thinks that it is ever going to do that, I should like to know where it gets the authority to divert the water of a river through a mountain tunnel into a river that is not an international river.

An hon. Member: Pass legislation, I suppose.

Mr. Hansell: Well, they would have to pass legislation to thwart provincial autonomy. If they ever did that I wonder what the British Columbia government would do. You see, that shows the thinking of the federal government—if we want to do anything we will go ahead and do it regardless. What do we care what British Columbia thinks about it? That is their thinking. That is their style.

I listened with interest to the speech of the hon. member for Vancouver East (Mr. Winch). It was a very good speech, and a very sane type of approach. He may not

agree with us in everything; he may even join some of his colleagues and vote for the bill. I do not know what he will do, but when he knew this thing was in the air did he shoot off his mouth? I do not say he has never before shot off his mouth, but this time he did not. He did the reasonable thing. He even went to Victoria and spoke to the premier of the province and the minister of lands and forests. He said that he went there to get their view of the situation. Then he investigated the other side of the picture.

He is a private member of the house. What he did was what the federal government should have done. The hon. member urged that a conference should have been held and should be held today to see whether these differences cannot be ironed out if there is such danger. That is the sane approach to take to the thing. The hon. member for Okanagan Boundary (Mr. Jones) did not go to Victoria but he looked at the matter in what I thought was a reasonable fashion.

Mr. Blackmore: Rather statesmanlike.

Mr. Hansell: Rather statesmanlike. That is the thing to do when we have to deal with a measure that affects provincial autonomy. I listened to the hon. member for Kootenay East (Mr. Byrne). It is a little hard for me to listen to him but I exercised some degree of self-control. When he talked about co-operation he lifted in the air a document that was supposed to have come from the British Columbia government. He showed how he had interleafed the document to indicate where they were talking about co-operation and so forth, and he urged co-operation. Let me ask him: Does this bill savour of co-operation?

Mr. Byrne: Yes.

Mr. Hansell: In what respect does this bill talk of co-operation?

An hon. Member: Give him a minute to answer.

Mr. Hansell: I cannot afford a minute, but silence reigns. Let me ask him: Has he analysed the speech of the Minister of Northern Affairs and National Resources (Mr. Lesage) yesterday? Let me ask him how that speech can ever give any indication of co-operation.

Mr. Blackmore: Silence again.

Mr. Hansell: Silence again. The minister when speaking yesterday—

Mr. Byrne: May I answer now?

Mr. Hansell:—attempted to reply to some of the arguments of the hon. member for Lethbridge (Mr. Blackmore). I am not going to dwell too much on this point because the hon. member for Wetaskiwin (Mr. Thomas), who preceded me, dealt admirably with it. As found at page 1036 of *Hansard* yesterday, the minister had this to say:

> And when we think how young our country is it will be realized that I am using the right expression when I say that a deal like the Kaiser one is equivalent to selling down the river or giving down the river the possibilities of power development in this country at this time.

The hon. member for Wetaskiwin has already challenged the minister to say what we are giving down the river. How can we be giving something down the river when the dam is to be built to hold the water back? It is a storage dam for the purpose of regulating the flow so that the water is not lost at flood season.

Mr. Lesage: To the United States.

Mr. Hansell: Of course, to the United States, where it would flow anyway.

Mr. Low: It is flowing.

Mr. Hansell: It is flowing there right now.

Mr. Thomas: And has done so for centuries.

Mr. Hansell: And has done so for centuries. When the flood tide comes it will still flow in abundance. What the government of British Columbia is doing is preventing it from flowing so fast at flood time. That is all they are doing. The minister also said, as found at page 1041 of *Hansard* of yesterday:

> In order that no sacrifice of our all important water resources may be made through too much emphasis being given to a short range view, such as advocated by the hon. member for Lethbridge . . .

I ask the minister to say in what way are we sacrificing our all important water resources when the dam is to be built to hold the water back?

Mr. Blackmore: Silence again.

Mr. Hansell: Silence again. There is a lot of silence when they are challenged to come up with the real argument and the real evidence. What power would we lose, what water would we lose when we will hold back by means of the dam some three million acre feet of water in this country?

The Minister of Northern Affairs and National Resources spent a good deal of time talking about the deal that has been made. He spent more than half his time dealing with whether or not the present agreement reached between the Kaiser interests and the British Columbia government was a good deal. As he tried to prove that it was a bad deal he waved his hands in the air like an old clucking hen in a chicken coop.

Mr. Lesage: I thought you were going to say an old preacher.

Mr. Hansell: "Peanuts" he said. I think the hon. member for Kootenay West (Mr. Herridge) was the first one who said "peanuts", and the clucking hen immediately cackled "peanuts". I am not going to argue whether or not it is peanuts. It is a million dollars a year or $50 million over 50 years; it may be $2 million. He may say it is peanuts, but we have not yet heard what kind of a deal he wants. We have not heard yet what kind of a deal would satisfy this government. I say again that throughout more than half his speech he dealt with the fact this was not a good deal. This appears to be the main reason this bill is being offered to us today, and the basis upon which we are asked to pass it.

If that is so, let me ask this. Does the government set itself up as the referee or as the dictator of provincial deals? If that is so, then we have here a glaring example of the continual centralization of authoritative power in the hands of the dictators here in Ottawa. The other day the hon. member for Notre Dame de Grace (Mr. Hamilton) gave an excellent speech on the trend toward centralizing power in this government. Here is an example. Let me ask, is this to be regarded as a precedent for any future deals or contracts that provincial governments may wish to make? I ask the question because this move can be interpreted as that. I should like to ask that question of all those who come from the province of the Minister of Northern Affairs and National Resources (Mr. Lesage). I wonder if his province will countenance a precedent like this, with this government setting itself up as the one to say whether a provincial deal is good or bad.

I do not believe that the deal is peanuts, but supposing it is; what has that to do with this government? I believe even provincial governments, because of their provincial autonomy, have a right to drive a bad bargain is they so desire. That is their own responsibility. We do not believe this is a bad bargain, but this bill would indicate this government thinks it is. My leader says the government has not proven as yet that it is a bad deal, even though the minister spent most of his time emphasizing that that was the basic reason for the bill.

He went further and said he hoped that when the bill went to committee we could have experts testify as to whether this is a good or bad bill. Now, can you beat that? They are saying they want a parliamentary committee set up to decide whether or not a provincial deal is a good deal. Can you beat that? That comes from the mouth of the Minister of Northern Affairs and National Resources. I claim, Mr. Speaker, this bill is a declaration of war on provincial rights; that is what it is. I am reminded by the hon. member for Lethbridge (Mr. Blackmore) that the Minister of Fisheries (Mr. Sinclair) has stated already that it is a declaration of war.

I want to deal with one other matter. It is a matter that I do not want to slip by without some notice. It needs more notice than perhaps this house has paid to it, and that is the point that was brought out by the hon. member for Cariboo (Mr. Leboe) yesterday. When he was bringing out this point I noticed the Minister of Trade and Commerce (Mr. Howe) with his head buried in some book or something. It may have been *Hansard* or it may have been a contract with some other government, I do not know. There he was, with his head buried, reading. I could not see whether or not his eyes were moving, but don't ever think his ear was not tuned to what the member was saying.

What was he saying? Well, I should like to put it in my own words. He went out to the back yard, and he said, "What is it that smells around here? It is something pretty bad." He traced the smell to the garage, opened the door and said, "My, something is wrong here." By lifting up a few loose boards, he dragged out what was smelling and said, "Here it is." I do not know how many noticed it. What did he say? I shall not read his speech, but he told the house that if this deal were completed British Columbia was likely to get cheaper power which would be in competition with power from the West Kootenay Power and Light Company, a subsidiary of the Consolidated Mining and Smelting Company, 51 per cent of the stock of which is owned by the Canadian Pacific. What this bill does—

Mr. Howe (Port Arthur): My hon. friend mentioned my name in connection with that matter. I believe he mentioned the Minister of Trade and Commerce. Just what did I have to do with the contents of that statement?

Mr. Hansell: You would have nothing to do with that statement.

Mr. Howe (Port Arthur): Thank you very much.

Mr. Hansell: You did not have anything to do with my hon. friend's speech. I am simply saying that when he gave it you were reading, but I think your ear was tuned to his speech. That is where I brought the minister into this, and I am saying—

Mr. Howe (Port Arthur): I claim the right to listen to nonsense and read something else at the same time.

Mr. Hansell: Let me ask the minister this. Is it nonsense to say that West Kootenay Power and Light Company is a subsidiary of Consolidated Mining and Smelting Company, and that 51 per cent of their stock is held by the Canadian Pacific Railway?

Mr. Howe (Port Arthur): Well, connect it up with the bill under discussion.

Mr. Hansell: That certainly is not nonsense. One of the purposes of this bill is to protect that vested interest. There has been no valid argument to the contrary, so what can we conclude? The hon. member for Kootenay West (Mr. Herridge), granting that he has some personal interest in this matter, has fallen victim to this thing. He is going to vote for something that is going to protect the vested interest of a private enterprise venture; that is exactly the position in which he is. He has swallowed it hook, line and sinker. He has been taken for a ride. The wool has been pulled over his eyes. I believe this bill is an attempt to pull the wool over all our eyes. The hon. member for Cariboo has scratched off a little of the wool. That appears to me to be the purpose of the bill. If it is not, government speakers will have to give some more valid reason than they have given so far. Those on the government side of the house who have spoken have failed miserably to make out a case.

I do not wish to reach a sort of anticlimax, but one of my colleagues sitting behind me has passed me a note, and it refers to a matter which I believe I should mention. The hon. member for Burnaby-Richmond (Mr. Goode) contributed something to the debate; I do not know how valuable it was—

Mr. Howe (Port Arthur): Not very.

Mr. Hansell: I cannot quite let what was said go by, because he left at least the impression that the British Columbia government were circularizing all the school children of British Columbia through the mails. He may not have intended to leave that impression, but he certainly did indicate that the provincial government was using the franking privilege—I suppose it is a privilege authorized by the queen's printer—in mailing government material to the people, and that this material had been sent to every school child in that province.

I do not think that is so. If any material was sent out—and I will take my hon. friend's word for it—I would say it was sent to school principals. That is quite possible. Frankly I see no reason why a government should not be able to put out the truth of a situation and place it before the school children, through their principals.

Mr. Byrne: Truth or propaganda, which?

Mr. Hansell: The principal may use it, but he does not have to; it is up to him. And when my hon. friend talks about propaganda being sent through the mails, or with the authority of the queen's printer, let me tell him, and the hon. member for Burnaby-Richmond, that no greater volume of propaganda goes out under the franking privilege anywhere in the world than goes out from this government.

Mr. Dickey: Speak for yourself.

Mr. Hansell: I am speaking for myself.

Mr. Dickey: Good.

Mr. Hansell: I do not mind saying that I mail my speeches under the franking privilege, and I do not care whether it is called propaganda or not. Everything is propaganda. Everything you mail out is propaganda; it cannot be anything else. All the health magazines that go out, and all the stuff on foreign relations—and believe me I have seen some of it—is propaganda. I have seen it, because I have children going to high school who are studying international affairs, and they come home with literature received from departments of this government.

Mr. Deputy Speaker: Order. I think the hon. member who has the floor will agree that he is now wandering a little far afield.

Mr. Martin: I would say so.

Mr. Hansell: I must agree that you are right, Mr. Speaker; but I got off on this tangent because the hon. member for Burnaby-Richmond happened to bring that point up. All I say is that the impression should be corrected, and that the British Columbia government is not mailing this stuff to every student in that province. They may mail it to the school principals, and that is their business. The principals may use it or may not use it, as they choose. That may be the situation.

I say once again that the government should face up to its responsibility here, and that it should not strain relationships between itself and any provincial government. Why provoke strained relations, when there may be another way around? Why not withdraw the bill temporarily and say, "We will defer the matter until we get together with the British Columbia government and see if we cannot come to a settlement." If they think it is so serious, why not do it that way? That is the way they do most things; why not do this that way? I urge the government to withdraw the bill temporarily, until it can get together with the government of British Columbia.

International Rivers

Mr. Solon E. Low (Peace River): Mr. Speaker, I shall not have much time to discuss the bill before we reach the hour for private members' legislation. However, I think I should take advantage of every minute afforded me, and I should not waste any of that time.

I am one who believes Bill No. 3, that we are now discussing, is one of the most important and far-reaching matters to come before this house in a good many years. I said "one of the most important", and I am sincere and earnest when I make that statement. There are those who seem to believe that we Social Crediters are putting up a battle against this bill simply to support the government of British Columbia, which happens to be a Social Credit government, and that we are doing this whether that government is right or wrong.

I do not deny for one second that to a certain degree we are influenced—and I said "to a certain degree"—by our desire to see that justice is done to a government in which we have more than ordinary interest, especially since the Liberal ministers from the provinces of western Canada over the years and at the present time have given and now give every evidence of believing that their main purpose in being here in this House of Commons is to malign and libel their own provinces. That has been done on so many different occasions, and I can point them out if I am challenged. I say this because the ministers, or some of them—not all—have given every evidence that that is the way they think, that they have a divine injunction to be down here for that one purpose of maligning, libelling and putting blocks in the way of their own provinces.

I think, however, that we in this group over the years have given ample evidence, plenty of evidence, that we are always ready to put up a fight to ensure that justice is meted out to every province in Canada, irrespective of its political stripe, or to any group or any individual in our country. Anyone who will go back through the records of the House of Commons will find that on several occasions the Social Credit group in this house have actually put up a stronger battle for another province than members who came from that province on matters involving provincial jurisdiction. I can bring evidence to show that that is true, too.

In the debate thus far on Bill No. 3, the Social Credit group has put up a strong battle against the growing arrogance of the Liberal party and its increasing indifference to the rights of the smaller provinces and of individuals, a government which has become old in power and smug and indifferent through its long years in office with a big majority. That is what we have been fighting against, and it is most important that the people of this country know what it is we are driving at.

I cannot help wondering—and I know there are many hon. members in this house who also wonder—just how different the government's action would have been if it had been the government of Quebec that negotiated the agreement with some United States corporation for the storage of 3 million acre feet of water in a corner of Quebec for the purpose of preventing waste of water by turning it to use for downstream generation of electric power, a part of which electricity would come back into Canada.

Let that soak in. I am quite prepared to say with full responsibility that the situation would have been very different. There might have been a show of throwing down the gauntlet, just exactly as there was a show on the part of the Prime Minister in throwing down the gauntlet when Mr. Duplessis defied him with respect to the taxation agreement. But what happened? He went down to Quebec and sat down with Mr. Duplessis and attempted to work out a satisfactory conclusion to this difficult situation, a step which I thought was right. It should have been done in the first place. I say this. How much different this situation would have been if instead of British Columbia it had been Quebec.

Mr. Johnston (Bow River): They have more Liberal seats in Quebec.

Mr. Low: I am quite sure the same arrogance and downright indifference to local rights, shown in the present situation, would have been totally absent if the province concerned had been Quebec or even Manitoba or Newfoundland. The amount of just consideration for a province's rights which can be expected from this government seems to be directly proportional to the number of votes the Liberals got in that province in the last elections, provincial and federal.

The province of Alberta, from which I come, has had more experience with the federal government in connection with the development of water resources than any province in Canada. Some of us in this group have had a reserved seat from which we could watch the show at close range. I am one of those. It has been my observation over the past 20 years that I have been engaged in an effort to help my country in public life—and ten of these years, by the way, were spent on the provincial side—that there has been a growing arrogance on the part of this government

in dealing with the provinces, especially those governed by other than the Liberal party.

Alberta has had many and varied relations with the Ottawa government in connection with the conservation and development of water resources. As far back as 1937, when the government at Ottawa wanted to move people out of certain drought-stricken areas onto irrigated lands in Alberta, we got a taste of what the exercise of power does to people when they get to Ottawa and begin to feel that there are really no limitations whatsoever to what they can do. We felt that, and I remember it very poignantly. In that particular instance to which I refer, moving people out of drought-stricken areas of Saskatchewan into Alberta, and in many others I could name that developed over the years, we saw arrogance displayed, Mr. Speaker, but we never at any time saw arrogance anything like what is being displayed at this time. It simply could not compare with the present instance at all. We are protesting against the attitude of a government and a party that have become power-drunk and crazy indifferent. We are only doing our duty by the Canadian people, who are now becoming aroused to this whole sorry situation as the facts are made known to them.

I made brief reference, Mr. Speaker, to Alberta's experience and observations over the years. If we had not fought hard against injustice during those years of the 1930's and up until the outbreak of world war II Ottawa would have wiped their feet on us with growing impunity. They tried hard enough; but finally, Mr. Speaker, be it said to the credit of both sides, good sense came to prevail, especially when the Liberal party came to understand that they were faced by a united and determined people in our province, determined to preserve their autonomy and their rights.

Mr. Blackmore: An enlightened and intelligent people, too.

Mr. Low: Consequently, Mr. Speaker, an inclination to co-operate was distilled into the hearts of the bureaucrats and the politicians down here, and we began a new relationship which I also saw and experienced and of which I was a part.

I am stating nothing but facts, Mr. Speaker, when I say that Ottawa has had no better co-operation in the various developments in the national interest than she has had from Social Credit Alberta. I am going to go further and say that she would have no better co-operation anywhere than she would have from the Social Credit government of British Columbia if she had the slightest inclination to go and seek it.

I mention several of Canada's biggest irrigation projects when I speak on Alberta and our relationship with the federal government in the development of water projects, because in Alberta we do have several of the largest irrigation projects in the whole of Canada. I speak of the many prairie farm assistance projects as well, and the preservation of the tremendously valuable and important east slope of the Rockies watershed. I also speak of the exploration and development of oil and natural gas resources for the benefit of all Canada. I say that, in all of these things, the Social Credit government of Alberta is working in close harmony and the fullest co-operation with Ottawa, in the national interest.

I could mention also the effective and close co-operation with the international joint commission in their efforts to negotiate settlement of the Milk river, the St. Mary river and the Waterton-Belly river references. We have given General McNaughton, who heads the Canadian section of the international joint commission, full and complete co-operation; and we want it known, Mr. Speaker, that we appreciate the splendid job this man has done for Canada and our province. We have nothing but respect for the splendid way he has stood up to what he has had to do. We want it known at the same time that General McNaughton has not been trying to play base politics with his important responsibilities. That is something that needs to be said as well.

I am perfectly sure, I repeat, that British Columbia, if their co-operation were sought in this matter, would be prepared to sit down and give that co-operation; but no effort has been made to get co-operation, no effort has been made to go out and sit down with them and to get information about what they are trying to do.

Mr. Speaker: Since it is five o'clock the house will now proceed to private and public bills.

PRIVATE BILLS

SECOND READINGS—SENATE BILLS

Mr. W. G. Weir (for Mr. Hunter) moved that the following bills be read the second time:

Bill No. 23, for the relief of Maxine Samuels Resseguier.—Mr. Hunter.

Bill No. 24, for the relief of Ginette Monique Cornu Lebegue.—Mr. Hunter.

Bill No. 25, for the relief of Eugen Hartberg.—Mr. Hunter.

Bill No. 26, for the relief of Joseph Pierre Emile Jasmin Rheaume.—Mr. Hunter.

Bill No. 27, for the relief of Elizabeth Jane Marcelin Belanger.—Mr. Hunter.

Private Bills—Divorce

Bill No. 28, for the relief of Hugh McCrone Dunsmuir.—Mr. Hunter.

Bill No. 29, for the relief of Hazel Winifred Edwards Welcher.—Mr. Hunter.

Bill No. 30, for the relief of Joan Audrey Baur Walker.—Mr. Hunter.

Bill No. 31, for the relief of Pauline Alice Leduc Sponagle.—Mr. Hunter.

Bill No. 32, for the relief of Lillian Greenberg Seligman.—Mr. Hunter.

Bill No. 33, for the relief of Marie Antoinette Demers Vigeant.—Mr. Hunter.

Bill No. 34, for the relief of Yoneyuki Watanabe.—Mr. Hunter.

Bill No. 35, for the relief of Leslie Sutcliffe. —Mr. Hunter.

Bill No. 36, for the relief of Rita Ursule Labadie Huot.—Mr. Hunter.

Bill No. 37, for the relief of Evangeline N. Rodinos Zolotas.—Mr. Hunter.

Bill No. 38, for the relief of Maria Lutz Kaczmarek.—Mr. Hunter.

Bill No. 39, for the relief of Clare Taylor Belanger.—Mr. Hunter.

Bill No. 40, for the relief of Jean Claude Robitaille.—Mr. Hunter.

Bill No. 41, for the relief of Ida Meitin Wooden.—Mr. Hunter.

Bill No. 42, for the relief of Fleur-Ange Francoeur Therrien.—Mr. Hunter.

Bill No. 43, for the relief of Maria Christina Vettore Austin.—Mr. Hunter.

Bill No. 44, for the relief of Roland Lefebvre.—Mr. Hunter.

Bill No. 45, for the relief of Augustine Denonville Leclere.—Mr. Hunter.

Bill No. 46, for the relief of Mary Therese McSheffrey Richard.—Mr. Hunter.

Bill No. 47, for the relief of Pierrette Marsan Short.—Mr. Hunter.

Bill No. 48, for the relief of Greta Irene Kokko Marchand.—Mr. Hunter.

Bill No. 49, for the relief of Yolande Segatore Grandillo.—Mr. Hunter.

Bill No. 50, for the relief of Annie Laker Gillen.—Mr. Hunter.

Bill No. 51, for the relief of Juliette Bertha Langlois Miller.—Mr. Hunter.

Bill No. 52, for the relief of Arthur Johnston.—Mr. Hunter.

Bill No. 53, for the relief of Bela Antal Kelecsenyi.—Mr. Hunter.

Bill No. 54, for the relief of Joseph Roger Gerard Doucet.—Mr. Hunter.

Bill No. 55, for the relief of Elsie Amelia Armistice Wood Lavoie.—Mr. Hunter.

Bill No. 56, for the relief of Joseph Rene Romeo Lafrance.—Mr. Hunter.

Bill No. 57, for the relief of Gweneth Leslie Clarke Atkinson.—Mr. Hunter.

Bill No. 58, for the relief of Muriel Claire Wilson Hart.—Mr. Hunter.

Bill No. 59, for the relief of Violet Doris Hubbard MacGregor.—Mr. Hunter.

[Mr. Weir.]

Bill No. 60, for the relief of Christina Mellis Campbell Squires.—Mr. Hunter.

Bill No. 61, for the relief of Katharine Hamilton Ellis Bishop.—Mr. Hunter.

Bill No. 62, for the relief of Sheila Kathleen McNaughton Best.—Mr. Hunter.

Bill No. 63, for the relief of Pearl Mendelson Markus.—Mr. Hunter.

Bill No. 64, for the relief of Mary Leona Dalton Dawe.—Mr. Hunter.

Bill No. 65, for the relief of Ethel Tietlebaum Segal.—Mr. Hunter.

Bill No. 66, for the relief of Sheila Mary Power Stone.—Mr. Hunter.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, before you put the question on the motion for the second reading of these 44 divorce bills may I say that because I believe there is more important business before parliament than these 44 divorce bills I should like to move:

That the house do now proceed to order No. 24.

The house divided on the motion (Mr. Knowles) which was negatived on the following division:

YEAS

Messrs:

Argue	Knowles
Barnett	Leboe
Bryce	MacInnis
Bryson	McLeod
Cameron (Nanaimo)	Nicholson
Campbell	Patterson
Gagnon	Quelch
Gillis	Shaw
Girard	Stewart (Winnipeg North)
Hahn	Thatcher
Herridge	Thomas
Johnson (Kindersley)	Winch
Johnston (Bow River)	Zaplitny—28.
Jones	
Knight	

NAYS

Messrs:

Anderson	Dinsdale
Applewhaite	Dupuis
Ashbourne	Enfield
Batten	Eyre
Benidickson	Fairclough, Mrs.
Bennett (Grey North)	Fairey
Blackmore	Fleming
Blanchette	Follwell
Boucher (Restigouche-Madawaska)	Garland
Bourque	Garson
Brown (Brantford)	Gauthier (Portneuf)
Brown (Essex West)	Gingras
Buchanan	Goode
Byrne	Gour (Russell)
Campney	Green
Cardiff	Gregg
Carter	Habel
Charlton	Hanna
Churchill	Hansell
Crestohl	Hardie
Dechene	Harkness
Deschatelets	Harris
Dickey	Harrison
Diefenbaker	Hees
	Hellyer

Hodgson	Nowlan
Holowach	Pallett
Howe (Port Arthur)	Pearkes
Howe (Wellington-Huron)	Pearson
Huffman	Philpott
Jutras	Pickersgill
Kirk (Antigonish-Guysborough)	Pommer
	Prudham
Kirk (Shelburne-Yarmouth-Clare)	Purdy
	Ratelle
Lafontaine	Reinke
Lapointe	Robichaud
Leduc (Gatineau)	Robinson (Bruce)
Leduc (Jacques Cartier-Lasalle)	Robinson (Simcoe East)
	Rowe
Lefrançois	St. Laurent
Lennard	Simmons
Lesage	Sinclair
Low	Stick
Lusby	Stuart (Charlotte)
MacDougall	Thibault
MacEachen	Tucker
MacLean	Tustin
MacNaught	Valois
McDonald	Villeneuve
McMillan	Weir
Martin	Weselak
Matheson	Winters
Michaud	Wylie
Montgomery	Yuill—107.
Murphy (Westmorland)	

Motion (Mr. Weir) agreed to on division and bills read a second time.

INDUSTRIAL STATUS OF WOMEN

MEASURE TO REQUIRE EQUAL PAY FOR EQUAL WORK

Mrs. Ellen L. Fairclough (Hamilton West) moved the second reading of Bill No. 2, to provide equal pay for equal work for women.

She said: Mr. Speaker, it is not my intention to take very long today on the discussion of this bill, because this is the third time it has been presented to the house and the second time for it to be debated. In presenting the bill last year I produced certain arguments, and those arguments stand today as well as they did a year ago. Very little has happened in the meantime to change the picture, but I am hoping that what little has happened may have influenced certain members of the house in general and the Minister of Labour (Mr. Gregg) in particular.

Last year while speaking I quoted certain statistics from the publications of the dominion bureau of statistics, and some of these have changed slightly. One change that has occurred since last year is that in January of this year the government of the United Kingdom gave to its women employees legislation which would provide them with equal pay for equal work, the system of implementing that legislation being a graduated scale which in a few years will result in complete equality for these women.

Another thing has happened since last year. In replying to my remarks on the introduction of the bill last year the Minister of Labour had the temerity to announce to the house that no representations had been made to him by the National Council of Women. I am sure the Minister of Labour has about as close a connection with that body as any member in the house, and he should have known that was likely to call forth an immediate response. In any event, he had his answer during the year. The National Council of Women have presented him with their request that this legislation should be supported by the government and later, in a brief which they presented to the government, they reiterated that request.

Since I spoke last year there has been a slight change in the size of the labour force and the number of women who compose a part of it. As of December 12, 1954, the latest figures available, the labour force was 5,414,000 of which men comprised 4,179,000 and women 1,235,000, or about 23 per cent. This is a larger percentage of the labour force than last year when the figure quoted was 22·2 per cent. It is interesting to note that in the period of almost a year which has elapsed the increase in the number of men in the labour force has been 13,000, whereas an additional 50,000 women have entered the labour force. These figures are significant.

Another significant factor is the number of women who pay taxes in this country. Inasmuch as these figures differ slightly from those which I quoted last year I should like to place on the record of the house the corrected statistics. According to the 1954 tax statistics the number of single women with no dependents paying taxes was 651,130, compared with 736,020 single men paying taxes. In other words, single women paying taxes comprise about five-sixths of the number of single men who paid taxes. With these statistics before us it seems odd that there should be any difference at all in the wages they earn for similar jobs.

Because of the short time available for this debate today, Mr. Speaker, and because I am anxious that some conclusion should be reached, I am going to rest my case very much on the argument I made last year. But I should like to reiterate the words of Mr. Kaiser, the United States government delegate to the international labour organization conference, which I quoted last year and which are found on page 40 of the seventh report of the committee on equal pay for equal work for women. Mr. Kaiser said:

> The experience of the United States showed that the principle could be accepted alike by workers and employers; that it could be translated into practice; and that its application protected established wage rates against undercutting.

I think the latter part of Mr. Kaiser's remarks are significant, and I should like to

repeat them—"that its application protected established wage rates against undercutting".

The bill before us, Mr. Speaker, covers only workers under federal jurisdiction. It proposes an accepted principle which is found in the laws of many lands and in numerous states of the United States of America, as well as three provinces of Canada. Without further remarks, Mr. Speaker, I recommend the measure to the consideration of the house.

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I have again listened to my hon. friend with interest. I congratulate her on her presentation today which has been very brief, and I shall endeavour to follow her example as far as I can.

Last year she described the proposed law as "a progressive type of legislation that fits well into the changed employment conditions of our time". With this, as with many other things she said last year and has said today, I agree, for the increasing number of women in our labour force in Canada has brought the issue of women's wages to public attention in a very emphatic way, as never before in this country.

But the question is not one alone of equal pay for equal work. To my mind it involves the larger problem of women's wages in general. These are at a considerably lower level, certainly relatively, than the wages paid to men. I think any survey indicates that. This basic inequality is due to many factors, not the least of which is the customary practice of establishing the rates for jobs, in the traditional occupations of women, at lower levels than those authorized for the jobs for which men are hired. It is a situation about which we need to have more exact information, one for which equal pay legislation does not provide a remedy.

The whole question of women's earnings in Canada, including the various factors involved in their determination, is one of the subjects that our new women's bureau has set itself to study. I know my hon. friend looks upon me with a sceptical eye when I talk about civil servants and departmental committees studying various things, but in this case I think she will agree there has been some evidence that a serious study has at least been started.

I should like to emphasize the importance of the establishment of our women's bureau. In the past my department has given a good deal of consideration to the special problems of women in employment. We are now equipped, I think, to do quite a bit more in this regard. We expect that the studies and research of the new bureau, and the availability of the results of that work to all women in Canada, will make possible the spreading of information in regard to women's work, and equally important, if not more so, an analysis of the urgent problems that are involved. These activities, we believe, will be an important means of strengthening their economic status, and of obtaining proper recognition of the contribution they make to our labour force.

With respect to the hon. member's bill, from one point of view the question at issue is not the principle of equal pay for equal work. Acceptance of that principle as a standard for the community is, I believe, essential to social recognition of the value of women's work and the important part they play. My question is, without greater clarity as to the extent of the problem would legislation at the federal level contribute to the solution of the larger problem of women's economic position throughout the nation? It is my conviction that legislation designed to implement a broad principle is most effective when it is applied to a problem the elements of which are clearly defined. I am going to contend that this problem has not all those factors clearly defined. I hope we can get them so without too much delay.

My hon. friend will recall I said last year that while I was in agreement with the underlying principle of the proposal, until we had investigated further I was not prepared to support the legislation. Since that time the Department of Labour has made a study of the comparative wages of men and women in the same or similar job classifications in enterprises which come under federal jurisdiction. As members of the house are aware, in our civil service the salaries within any particular classification are exactly the same, whether for men or women. With respect to those working for the federal government at prevailing rates, it is the practice of my department to recommend that the rate for a classification be the same regardless of whether the work is performed by a man or a woman under the same job title. Taking these things together, I think I can say that this government and my department certainly do stand for the principle here enunciated.

Collective agreements and wage schedules in industries under federal jurisdiction in most cases establish the rate for the job. There do remain, however, a few schedules in which a differential occurs, but it does not necessarily follow that in such instances the principle of equal pay for equal work is always disregarded. To know exactly what the situation is would require further analysis and, in some cases, even field inquiries which are within our facilities to conduct. This work is going on now. At the present

time the lack of precise definition of the content of a job within the same classification makes it impossible to reach reliable conclusions as to the basis of the differential where it does exist. In some instances it may be related to the sex of the worker, but in many cases other factors enter, principally the nature of the duties involved in the work.

This whole matter of the content of the job has a bearing upon the question of equal pay legislation. Effective application of the principle in fact depends upon adequate machinery for the appraisal of a job. The fact that three provinces have passed legislation, as my hon. friend has said, requiring equal pay for equal work has been brought forward as a reason why the same thing should be done by the federal parliament. Although the three provinces have set an example, if you like, this is an argument that is not completely convincing because of the fact that the field of employment for which the parliament of Canada legislates concerning labour matters is quite different from that under provincial jurisdiction.

Consider the industries listed in the bill. I cannot refer to the bill in detail, Mr. Speaker, but everyone in the house knows the industries that are listed there as coming under federal jurisdiction. These are large undertakings, very highly organized undertakings, in which the practice of collective bargaining is feasible and in fact is now quite widespread. Of the slightly less than 400,000 employees in industries under federal jurisdiction, some 70 per cent are now under collective agreements.

This fact presents a situation in clear contrast to that which exists in the widely diversified and smaller industries coming under provincial jurisdiction. There are of course a large number of great and highly organized undertakings under provincial laws but there are at the same time a large number of small enterprises in which collective bargaining has not become the standard operational procedure.

This fact presents a situation in clear contrast to that which exists in those industries which come under federal jurisdiction. In those activities which do come within the provincial field, only some 32 per cent of the employees are under collective agreements. Of course the women within those activities would work out to approximately the same percentage. Therefore, Mr. Speaker, it certainly does not follow that if legislation at the federal level were considered essential it should follow in detail or even in some of its general features, a pattern that is appropriate to a province of Canada or a state in the United States. Nor does it follow that the same methods should be used to ensure adoption of improved labour standards, including this matter of equal pay for equal work.

Within the federal field of jurisdiction, where for some years collective bargaining has been the accepted means of getting disputes settled, the legislation that is proposed in this bill could introduce unnecessary interference with normal processes of negotiation between management and labour. I do not point that out, Mr. Speaker, as an insurmountable obstacle to such legislation, but I point it out as a warning that in preparing federal legislation that factor should be kept in mind.

It is widely recognized that the enactment of a law is by no means the only method of ensuring the application of the principle of equal pay for equal work. There are other ways in which progress can be made in that direction. The convention for equal remuneration for men and women for work of equal value adopted in 1951 by the international labour organization, which my hon. friend mentioned in another connection, recognized other methods of implementation. One of these was "collective agreements between employers and employees".

Mrs. Fairclough: That convention has never been presented to this parliament.

Mr. Gregg: The convention has never been presented to this parliament because it was pointed out by Canada's representative at the international labour organization, as my hon. friend knows, that in Canada this subject comes partly under federal jurisdiction and partly under provincial jurisdiction. Because of this our representative of necessity abstained from voting for the whole recommendation when it was put forward at the international labour organization. In these major areas of employment under federal jurisdiction it appears that the principle of equal pay is being observed. I appreciate the fact that there remain a small but nevertheless very important number of women under our federal jurisdiction who are unrecognized.

The investigation of all available wage data has shown that the extent of the problem is not definable without recourse to additional information. And here again I come back to those good words "study and research". This we are on the way to secure. As a matter of fact the house will recall that at the last session of parliament I said, when responding to my hon. friend's presentation of a similar bill, that it did seem strange that only recently we had received delegations from leading women's organizations, none of whom

had raised this point in their presentations. I can see that the hon. member has been very busy since that time, because the situation is not the same this year.

The groups that have been making these presentations constitute a very important element of public opinion, and their representations have carried weight. I for one welcome such representations. But I would add this year, quite as bravely as last year, that not one of the groups making representations has brought forward relevant information regarding the nature and extent of the problem as they see it, nor has any of them outlined its position with respect to the substance of the legislation sought. In other words there has been no suggestion as to how we should go about introducing legislation in the federal field. This I feel sure they must be prepared to do when they ask that a law be enacted, because I believe the enactment of a law can be justified only in relation to some clearly defined problem that exists somewhere within our society, whether it applies to women or to men.

In the absence of clear evidence of a problem under federal jurisdiction that warrants this type of action, I am not prepared to support this proposal for legislation at this time. But let me add quickly that I am fully prepared to provide the means for receiving representations as to the need, and how it is felt by those making the representations that a federal law might meet that need. I shall go further and say that I extended to the delegation which met with representatives of the government the other day an invitation to have their representations as to how legislation could best be worked out brought to the attention of the head of our women's bureau, sitting as chairman of the committee looking into this matter.

While my present position in respect to equal pay legislation for federal industries is based upon the considerations I have just outlined, there are one or two things I should like to say about this particular bill. In its main provision it is like several bills that have been introduced in the United States congress, but that body has not yet seen fit to pass any of them.

This bill declares it to be an unfair wage practice for an employer to discriminate between sexes in the payment of wages by paying wages to any female employee at a rate less than the rate at which he pays wages to male employees—and I wish to stress this—for work of comparable character on jobs the performance of which requires comparable skills. There I pause because, without wishing to be disrespectful, I suggest that these words are vague when regulating the payment of wages. I would ask this. What is comparable work? And what are comparable skills? And, perhaps more important, who is going to decide what is comparable work and what are comparable skills?

Surely these words are open to very wide interpretation. Yet this bill would leave to a commission to be appointed by the minister the task of trying to place a reasonable interpretation on them in any given case, and finally would empower the Minister of Labour to make any order he deems necessary to carry out the recommendation of the commission.

I know that under the rules one must not refer to an earlier debate in the session, but I would call to mind what happened within the last few days, and I would wonder if this uncontrolled power which my hon. friend would place in the hands of the minister of labour, whether in this or any future governments, jibes with the stand so often taken, for instance, by the hon. member for Eglinton (Mr. Fleming). There is no appeal whatsoever from the minister's order, and it is a punishable offence not to comply with it. In our act to avoid discrimination in matters of race, religion or colour we have gone to great lengths to see that checks are made, both before and after the matter is brought to the attention of the minister, and that those allegedly aggrieved persons once again have a chance for appeal. This combination of wide administrative discretion, together with vagueness in expression of the intention of parliament as set out in the bill, hardly seems in keeping with some of the discussion in the house regarding a right to appeal from a minister's decision.

For the reasons I have mentioned, I do not consider a reasonable case has been made to demonstrate the necessity or advisability for this particular bill in the federal field at this time. And I am very specific about those words. I appreciate that there is provincial legislation of a similar nature; but in view of the very limited experience they have had—and my hon. friend who no doubt has investigated this would agree, I am sure that that experience has been very limited—it is not possible to assess its usefulness with any degree of accuracy.

I think it is a reasonable position to take when we say that we should follow the operation of provincial legislation very closely. But until the extent of the problem under federal jurisdiction is more clearly defined, as I hope it soon will be, we should not take premature action which might be

regarded in some quarters as simply for the purpose of impinging upon provincial responsibility in this field.

I wish to repeat that I support fully the principle of equal remuneration for equal work, and all reasonable and practical measures for the extension of the application of the principle in this country. Since the recent establishment and organization of our women's bureau the department has done a good deal in this regard. It is the view of those who have engaged in this study that further investigation is desirable before final conclusions are reached as to the kind of legislative action in the federal field. I wish to assure my hon. friend that this investigation will be carried forward quickly to completion. And in doing so there will be opportunity for all private organizations and groups who have expressed general views in support of the legislative approach to confer with my department and produce relevant data in support of their views. That we will warmly welcome.

I hope that in view of what I have said, and after a discussion of this matter, the sponsor of this bill will not wish to press it to a vote but will feel that she has accomplished her purpose. If she finds that is not possible, it will be clear from what I have said that while I am not denying the good principle involved here, I shall have to vote against second reading of this particular bill.

(Translation):

Mr. Dupuis: Mr. Speaker, by leave of the house, I would like to ask you to call it six o'clock and I move the adjournment of the debate.

(Text):

Mr. Speaker: The hon. member would like to move the adjournment of the debate because he does not wish to commence his speech so close to six o'clock.

Mr. Knowles: Question.

Mr. Speaker: There is a motion for the adjournment of the debate. Either we call it six o'clock or the hon. member moves the adjournment.

Mr. Fleming: Or goes on speaking.

Mr. Speaker: Are the hon. members prepared to call it six o'clock at this time?

Some hon. Members: Agreed.

On motion of Mr. Dupuis the debate was adjourned.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

INTERNATIONAL RIVERS

PROVISION REQUIRING LICENCE FROM GOVERNMENT OF CANADA TO CONSTRUCT, OPERATE AND MAINTAIN ANY IMPROVEMENT

The house resumed consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 3, respecting the construction, operation and maintenance of international river improvements.

Mr. Low: Mr. Speaker, before the dinner hour I had laid down the general proposition that over the last 20 years I had personally witnessed a growing arrogance on the part of federal governments, particularly the one now in office, which had inspired them to assume powers which in many instances it was not thought they should ever have attempted to assume. I believe I closed on the note that we wondered at this time where this arrogance and hunger for unchecked power is going to end. That is a very serious consideration for every Canadian worthy of the name.

For example, what foolish things might this government or perhaps some other government be led to do in the years ahead if this Liberal government can get away with what they are trying to get away with in connection with this bill? Under these circumstances what provincial rights will ever be safe, especially those which are in the twilight zone that prevails in connection with unallocated powers under the constitution? That is the question.

I listened most carefully to what the Minister of Northern Affairs and National Resources had to say. I intend to quote briefly from his speech, beginning on page 1037 of *Hansard*, where the hon. gentleman made reference to clause 9 of the agreement between the Kaiser corporation and the province of British Columbia. After quoting part of clause 9 which refers to the licence issued pursuant to paragraph 8, he had this to say in reference to the Bonneville authority:

> And, Mr. Speaker, the Bonneville authority, which is a United States federal agency, is not even a party to this agreement.
>
> Mr. Herridge: That is the point.
>
> Mr. Lesage: It is not even a party to this deal. Here the Kaiser company guarantees to the British Columbia government that the British Columbia government will get 20 per cent of the additional power generated by storage, but it will get it from the Bonneville authority, which is a federal agency, and that federal agency is not a party to the deal. And moreover there is no agreement referred to here between Bonneville and Kaiser.

What is the guarantee? Where is the guarantee? Where do we go? The whole thing is up in the air. I never saw anything so childish: there is no guarantee at all. And, moreover, supposing Bonneville decides to provide 10 per cent of the power to Kaiser, the only amount Kaiser is obligated to supply is 50 per cent of that 10 per cent, which is 5 per cent.

It is perfectly evident that the minister did not have the detailed information that he could have had if he had been willing to negotiate on a reasonable basis with the British Columbia government. He did not even try to get information which would have enabled him to make accurate statements, both in his speech last night and in his letter. In both instances there are serious errors of omission.

Here are some of the things the minister could have found out if he had made the slightest effort to put himself on speaking terms with the British Columbia administration, which he did not. As the minister knows, the present Kaiser agreement is mainly exploratory. It does not pretend to be final in all respects. Before it is finalized there will be a contract between Kaiser and Bonneville which will be assigned to the government of the province of British Columbia. Guarantees with respect to the delivery of power, and the posting of the performance bond to guarantee delivery, are all part and parcel of a conditional water licence which can contain any terms and conditions which the province may wish to impose.

The performance bond will be issued by a reliable bonding company and will guarantee either the delivery of the stipulated amount of power in British Columbia or, in case of bankruptcy or failure of the company, a cash payment equal to the value of the electricity over the entire 50 years.

The minister knew there must be something of that kind; yet he stood up here and attempted to belittle and ridicule rather than try to get information. That information was available. The hon. member for Vancouver East (Mr. Winch) was able to see for himself when he went into the office of the minister of mines in Victoria evidence of a contract of that kind. He mentioned it in his speech yesterday—a very fair speech, by the way. The minister could not understand. That is something for which the minister is going to have to answer, the fact that he would make statements without any foundation whatsoever because he did not go and try to get information directly from the government concerned.

In the debate thus far hon. members on the government side of the house have offered severe criticism of the Kaiser deal, but up to this time not one of them has come up with a better proposal for an agreement. We have heard about a 50-50 deal. The Minister of Trade and Commerce says he did not say that. I have heard mention of a 50-50 deal.

Mr. Howe (Port Arthur): When did I say that I did not mention a 50-50 deal?

Mr. Low: You said that yesterday.

Mr. Quelch: Read *Hansard*.

Mr. Howe (Port Arthur): I recall what I said. If one party furnishes the flow and somebody else furnishes the head it rather suggests a 50-50 split of the benefit.

Mr. Low: I think the minister did say that he did not mention a 50-50 deal. Even if he did I point out to him that a 50-50 deal would not give the province of British Columbia anything like the net return the present deal will give. I say that if they sit back and criticize and belittle and ridicule a deal which the government of the province of British Columbia has made and then fail to come up with a better proposal, then by George I think they should either put up or shut up.

Mr. Blackmore: They have no proposal at all.

Mr. Low: They have no proposal at all. This matter cannot just be laughed off or ridiculed away, because it is too serious. The government ought to begin to learn that that is true. I should like to stress that. I think this thing can easily be proved. I stress the fact that the only way the water at the point involved in this matter, at the Arrow lakes on the Columbia system, will ever be used for any purpose will be by way of United States generation of power. Laying down that general proposition, I should like to have one minister get up and debate it and show that it is not true. They cannot. Under those circumstances the only conclusion anyone can reach who looks at this thing in all seriousness is that they are prepared to let this water go to waste for generations rather than have it made use of.

Liberal spokesmen have used scare tactics and extravagant statements to try to convince the people of British Columbia and other parts of Canada that if the Kaiser deal is consummated it will place a serious restraint or perhaps at worst have a destructive effect on the eventual full development of the Columbia river system. I say that Liberal spokesmen who make that claim cannot possibly bring evidence to support it.

While they talk that way in an effort to bolster the flimsy arguments they have to put forth in support of this bill, they ignore completely the fact that if the bill is passed it

could very well hold up indefinitely the Frobisher development on the Taku river in northern British Columbia. That possibility should be thoroughly investigated before this bill is allowed to proceed past second reading. That is a proposition which we are prepared to debate. Another reason we are fighting this bill is that it is just one more indication of the utter inconsistency of the government, especially with respect to energy and the export of energy. I want to point out some inconsistencies in connection with their policy in that regard, if one can call it a policy. Let us take oil, for example. Canada is not yet self-sufficient in oil. We have been trying our level best to become self-sufficient, but there have been times when we have had to draw heavily on the United States, and even though they were not self-sufficient and had to draw it from the east they were good enough to let us have their oil.

We are exporting oil today, and there has been no problem in connection with that. That oil is being exported into the midwestern United States by way of Gretna, Manitoba. I would point out that that is a wasting asset, but what we are talking about now is a renewable asset and comes into a different category altogether. Let me illustrate the point with respect to gas. At the present time gas is being exported under licence from a very isolated section of southern Alberta where there is no concentration of industry. That is being exported to the Anaconda Copper company at Anaconda, Montana, and no one is raising a hurrah about that. Why did the Liberals not come in and raise the dickens because Alberta was making a deal with the Anaconda company?

Mr. Howe (Port Arthur): That deal was proposed by the federal government and recommended to Alberta, which province approved and implemented the proposal; and the gas is now being exported under federal licence.

Mr. Low: May I point out that in taking the stand they did they were showing their inconsistency. Furthermore, the province of Alberta gave them every co-operation in what they were doing. What else could we do? We did not have to give them the gas. We had control of that supply within the province, and no Liberal government could have objected to that. Not only that, but at the present time plans are being made for the export of natural gas from Alberta down into eastern Canada and concurrently into the midwestern United States. Where is the consistency in this policy?

Mr. Howe (Port Arthur): Who asked us to arrange that?

Mr. Low: Yes, we asked you, but we asked for something more than that. We asked for a policy that would make it possible for us to export that gas and guarantee to the producers in our province a decent well-head price. I am not at all convinced as to the sagacity of the minister or the government in the way they arranged that whole deal.

Mr. Howe (Port Arthur): You are very capable of shifting your ground.

Mr. Low: We are not shifting ground. I have already pointed out the utter inconsistency of the whole policy. Let us now deal for a moment with electricity. I have pointed out that already some electricity is being exported into a northwest power pool from British Columbia.

Mr. Howe (Port Arthur): On a temporary basis.

Mr. Low: It does not make any difference whether it is temporary or not. The important thing is that it is being exported, and if there is danger of building up a vested interest on the other side there is just as much danger in this present export instance as there would be in regard to the proposal we are now discussing.

Mr. Howe (Port Arthur): Rave on.

Mr. Low: Let us use a little logic and reasoning instead of a lot of hooey. The minister's own atomic energy committee is manufacturing plutonium and other derivatives of uranium at Chalk River and exporting them to the United States. I believe a good case could be made out to show that these fissionable derivatives of uranium could be far more important to Canada in future years than the comparatively small amount of water power involved in the Kaiser proposition could ever be. Yet we do not hear the Liberals working up much hysteria about that.

Bill No. 3 should be withdrawn and put into cold storage until this government has the good sense to sit down with the provinces and work out a satisfactory and comprehensive natural energy policy which will be in the best interests of the whole of the country. When they do that it may be that legislation such as Bill No. 3 might be needed as part of an over-all policy. If so, then I imagine sensible people everywhere will realize it and give their co-operation in trying to get such legislation. But let us have it introduced in a sensible manner, as part of a comprehensive natural energy and fuel policy.

It is awkward at any time to try to debate the merits of a bill by tying it to a single

transaction or project. The whole effort of those who are trying to get Bill No. 3 through this house has been directed toward obscuring the real principle of the bill by constant reference to the Kaiser dam and the Columbia river development program. The Liberal party have played so much very questionable politics in this whole business that many of them are confused about the real intent and purpose of the legislation. For that reason, before I close I would like to bring the debate back to the real principle of the bill itself.

Mr. Byrne: Your party took it away.

Mr. Low: What is the principle involved in this legislation? The minister who introduced the bill, the hon. member for Vancouver-Quadra (Mr. Green) who spoke for the Conservative party, and indeed several others appear to believe that the principle is provision for the development of Canada's water resources in the national interest. But I maintain that is not the real principle at all. The development of Canada's water resources in the national interest may have been the hope in the mind of the minister. It may even be one of his sincere desires. I am not going to claim, and I never have, that the minister is insincere. I have a great respect for him. Sometimes I differ sternly with him and I shall continue to do so if I feel that is warranted. But if that is one of his sincere desires then I say it is also the sincere hope and desire of every Canadian worthy of the name. We all want to see the water resources of the country developed in the national interest, and that certainly is the hope and desire of the government of British Columbia. I talked to members of that government about this project, and I gathered from them their complete sincerity of purpose and desire to do the right thing. Certainly every one of the Social Credit members of this house wishes to do his utmost to bring this hope to a full and glorious realization.

However, I say that is not the real purpose of the bill itself. The real purpose is to try to establish the federal government in complete and exclusive control of every body of water which rises in Canada and any part of which flows across the boundary line between Canada and the United States, together with all works and improvements that are now in existence or may be brought into existence along these rivers. I am referring to works which may cause a rise or fall in the level of the water at the boundary.

Mr. Lesage: There is more in it than that.

Mr. Low: Yes, I believe there is, but that is certainly enough.

[Mr. Low.]

Mr. Lesage: I would ask the hon. member if, after reading this bill, he does not agree that it does not apply unless the works alter the use of water outside of Canada?

Mr. Low: That may be.

Mr. Lesage: It is written in the bill.

Mr. Low: I do not think the bill makes that too clear. At any rate, by far the most serious aspect of this legislation is what looks like an attempt by the government to bring about an important change in the constitution by the simple process of passing an obstructive bill through this house.

That brings me to something I would like to say about the constitutional aspects of this whole thing. The Minister of Northern Affairs and National Resources last night went to some lengths in his speech to show that the bill is entirely within the competence of the federal government because it comes under section 92, subsection 10, of the British North America Act. The British North America Act was devised by men of vision, men who were, I think, quite earnest and who did a good job. I have always felt that the division of powers as arranged in the British North America Act was sound, good and wise.

Section 91 sets out those subjects which are of exclusive federal jurisdiction. Section 92 sets out those matters which are of exclusive provincial jurisdiction. But there is another group, namely those powers that are in the twilight zone, not specifically allocated either to the one or the other. In this present instance the federal government has invoked the most invidious section of the British North America Act, section 92, subsection 10, and has used it as the constitutional basis for this bill. I say the section is invidious for the reason that every time it has been invoked it has engendered ill will and disunity in this country.

In the second place, that is a section which the framers of the British North America Act felt should be and would be used sparingly, because it involves the most sweeping powers. A government that was anxious to be fair and just and to promote national unity would be extremely careful in invoking that section of the British North America Act, especially in cases where for many years a province has been exercising rights under their own legislation without challenge, rights which are bound to be interfered with by the federal action now contemplated in Bill No. 3. When I say legislation which has remained unchallenged for many years, I refer to the legislation referred to yesterday by the hon. member for Vancouver East, the water act of

British Columbia of 1897. Governments of that province have been operating all these years under the powers given them by that act, which has never been challenged. The present government thought they had the authority under that act to go ahead, and in sincerity they went ahead to arrange a deal with the Kaiser interests for the development of water power which is now going to waste.

I say to you, Mr. Speaker, that it becomes a most serious matter if the constitution can in effect be changed as easily as by passing this bill. What rights of any of the provinces could possibly ever be safe from an arrogant federal government which cared nothing for the feelings of those people who do not belong to the same political party as they do? I refer to the fact that the Canada Shipping Act was based on that very clause, section 92, subsection 10, of the British North America Act; and since that clause was invoked it has been used to make every grain elevator in my constituency, even down to the smallest one, a work for the general good of Canada.

That is how far you can go with this thing. I wonder how many barber shops could not be brought under this provision as works for the general good of Canada, and how many schools in this country. If a reckless government ever took the thought into their heads to go ahead and do it there is nothing could stop them if they had the gall to try to do it. I say that becomes a very serious matter to be considered by every Canadian.

Finally, Bill No. 3 is clearly an obstructive bill. It is perfectly clear from what has been said both outside and inside the house that the main purpose of the bill is to prevent the consummation of an agreement which is being negotiated by one of our provincial governments. That is a bad reason for any legislation, because there are other and much better ways of safeguarding the national interest. Second, the bill is punitive. It provides power to punish a province, and I think that is a bad principle ever to be established in legislation in this house. Third, it is presumptive. It is based upon the presumption that all the federal government needs to do to provide itself with powers to invade provincial rights is to invoke section 92, subsection 10, of the British North America Act.

For the reasons I have mentioned I am opposed to the second reading of the bill, and I move, seconded by the hon. member for Macleod (Mr. Hansell):

That all the words after "That" in the motion for second reading of Bill No. 3 be struck out and the following substituted therefor:

"the further consideration of this bill be deferred until the principle thereof has been referred to a dominion-provincial conference and considered by such conference".

Mr. Speaker: I have heard the amendment moved by the hon. member for Peace River. Although he is entitled to ask that further investigation be made of a certain problem contemplated by the bill, the motion must be that the subject matter thereof be referred to an existing body, either to a standing committee or to a commission such as the board of transport commissioners or some other such organization. Otherwise where would the bill stand if nobody called a dominion-provincial conference?

Mr. Fulton: Ask the Minister of Justice.

Mr. Speaker: I think the hon. member realizes that unless he amends his amendment I will not be able to accept it. If he will look at citation 657 of Beauchesne, third edition, he will see that the latter part thereof says:

. . . or seeking further information in relation to the bill by committees, commissioners, the production of papers or other evidence or the opinion of judges.

By "committees, commissioners" what is referred to is the board of transport commissioners, for example, or committees that are in existence under standing order 63. Would the hon. member like to explain what his purpose was?

Mr. Low: Mr. Speaker, I gave considerable thought to the procedure by which second reading could be prevented at this time in order to afford us a chance to give the matter further consideration, because I knew that if we were to allow second reading to pass the house would be agreeing to the principle of the bill, and the principle having been adopted certainly the important reason for debate would no longer exist. I have looked at Beauchesne's Parliamentary Rules and Forms, third edition, 1943, and at page 337 under "amendments" I discovered that there are two different ways by which an amendment can be moved. The first is by moving that the measure be given the six months' hoist. The second is as follows:

The question being proposed "That Bill No.—

In this case, it is Bill No. 3.

—intituled an act . . . be now read a second time"; Mr. . . . moves in amendment thereto, seconded by Mr. . . . , that all the words after "That" in the said motion be struck out and the following substituted therefor:

"The further consideration of this bill be deferred until the principle thereof has, by means of a referendum, been submitted to and approved of by the electors of Canada".

This evidently was something that was used by Sir Wilfrid Laurier at some time in the past, and is cited here as one means by which an amendment can be made. I took it to mean that it could be used as the basis for our amendment.

Mr. Speaker: If the hon. member looks at citation 657, which is a résumé of the forms which an amendment may take, he will see that there is a footnote, May 390. If he looks at May 390, he will see that in addition to the three methods that are provided by citation 657, there are two or three other methods that have been deleted by Bourinot in his fourth edition and which do not appear in the 1943 edition of Beauchesne. This is because a practice has evolved, and previous Speakers' rulings make it so now, that what is understood by the reference of the subject matter of a bill to a committee must be to an existing committee or an existing commission.

Now, if the amendment were to read that the subject matter of the bill be referred to a standing committee or an existing commission, that would be in order.

Mr. Low: Thank you very much, Mr. Speaker. In view of the fact it appears that my amendment is out of order, I move, seconded by the hon. member for Macleod (Mr. Hansell):

That the word "now" be left out, and the words "this day six months" added at the end of the question.

Mr. Knowles: I rise to another point of order. It is a very technical one, I admit, but we might as well keep things straight and I am sure hon. members to my left can take care of it. I believe the hon. member for Macleod has already spoken and therefore cannot be the seconder of this amendment. The hon. member for Peace River will have to find someone else.

Mr. Low: I shall find someone else. I shall say the hon. member for Acadia (Mr. Quelch).

Mr. Speaker: This point is one which is technical, but sometimes we must take care of these little technicalities before they become serious offences. Therefore the hon. member for Macleod (Mr. Hansell) moves, seconded by the hon. member for Acadia (Mr. Quelch), that this bill be not now read a second time but this day six months hence. Is the house ready for the question?

Mr. Hahn: On a point of order, Mr. Speaker; it was the hon. member for Peace River (Mr. Low) who moved the amendment, not the hon. member for Macleod.

Mr. Speaker: If the house, by consent, is willing to cure the technical difficulty raised by the hon. member for Winnipeg North Centre (Mr. Knowles), then perhaps we could consider the amendment moved by the hon. member for Peace River, seconded by the hon. member for Acadia. Is the house ready for the question?

[Mr. Low.]

Mr. J. H. Blackmore (Lethbridge): Before the question is put I desire to make several comments which I feel are necessary. In the first place, may I draw to the attention of the people in the country, as well as the members in this house, how serious it is for this house to give a bill second reading. Once this bill is given second reading the House of Commons of Canada puts its seal of approval on the principle of the bill.

As the hon. member for Peace River has pointed out, it is not at all certain what the principle of the bill is. The bill is like a wolf in sheep's clothing. The sheep's clothing does not look too bad, but the wolf underneath does look bad. Now, the wolf that is underneath is the power to enter into the province of British Columbia and dictate policy in respect to the whole of the Columbia river. The general principle of the bill is to amend the Canadian constitution, the British North America Act, by an act of this parliament, and to base that act and its constitutionality upon the international joint commission and the boundary waters treaty of 1909.

I do not believe there is a member in this house or a responsible person in Canada who would be willing to base an amendment of the Canadian constitution on the boundary waters treaty of 1909 between the United States and Canada, in respect of international waters. Certainly I do not think there is a responsible person in this country over 18 years of age who would be willing to have the constitution of Canada amended by an act of this parliament, without any restraint whatever. This is the act of a power-hungry party that has been re-elected time and time again, sometimes by a minority of the votes in the country, but in such a way that it has so many members in the house it is impossible for the opposition to do a thing. The party in power has no opposition and can work its evil will, no matter how evil that will may happen to be.

Mr. Byrne: We may have the support of the Conservatives on this.

Mr. Blackmore: I will just leave that language as it is. I said "evil will", but I am not saying any member of the house is particularly evil. I am suggesting the people who are back behind the Liberal party are evil, and that they are aiming at the destruction of freedom on the North American continent. I do not hesitate a minute to suggest that. This bill is one of the very best evidences of that fact, for I do not think any individual or any department whatever that was not under sinister pressure from someone behind the scenes would try to pass a bill of that kind.

Mr. Hardie: Do you believe in ghosts?

Mr. Blackmore: Did you get what I said?

Mr. Hardie: I did.

Mr. Blackmore: Now, it is just as serious as that, sir. If this house puts its seal of approval on the wolf that is down under the sheep's clothing, it is a serious matter.

Many members in this house have served on committees, and may know that just as soon as a bill is given second reading and goes to a committee, the chairman of the committee generally says, "Now, gentlemen, the house has already settled the principle of this bill; this committee has no competence whatever to deal with the principle." What have we to deal with under the terms of reference? We begin to single out the various clauses, and in the case of most parliamentary committees the procedure is disappointing, if not farcical. I have been on enough committees to know how that works out.

Generally speaking, a committee—and this is too bad—before ever it sits is told pretty well by the government what it is to report. The report could be written pretty well before the committee has its hearing. I have been on committees long enough to know that is the case, and it is very much the same with royal commissions. The royal commissioners are told what they are supposed to find before they ever have a hearing.

Mr. Dickey: On a point of order, Mr. Speaker—

Mr. Blackmore: I know that sounds strange.

Mr. Dickey: I rise on a point of order—

An hon. Member: Sit down.

Mr. Dickey: On a point of order, Mr. Speaker, I wonder if the hon. member could indicate just how a discussion of the procedure of committees and royal commissions is relevant to the amendment that has been moved, or to the principle of the bill?

Mr. Blackmore: I am thankful for the interruption, because the hon. member has given me an opportunity to repeat my statement for the benefit of those who were too busy reading newspapers to get it. The matter arose from a statement I made which implied that back behind a government like this are probably a number who contributed to the campaign funds to elect it.

Mr. Dickey: On a point of order, Mr. Speaker. Surely the hon. member is not suggesting that what he has said is relevant to the matter under discussion in this house.

Mr. Blackmore: Yes, because I was pointing out how serious it is that the house should give approval to the principle of this bill by giving it second reading, especially when the house knows so very little about the things involved in making up one's mind as to whether or not the bill might properly be passed.

Mr. Dickey: The hon. member should speak for himself, not for other members in the house.

Mr. Blackmore: That is just a silly and childish remark. This hon. member is speaking for himself, and is quite prepared to take the responsibility for everything he says.

Then I go on from what I was saying. I do not hesitate to repeat that there is in this bill not only the sheep's clothing principle of the bill but also the wolf principle that is under the sheep's clothing. We can easily give approval to the wolf principle of the bill, thinking we are merely giving approval to the sheep's clothing principle that is covering up the wolf. Now, that is a terribly serious matter, and I propose to go on from there.

An hon. Member: Oh, oh.

Mr. Blackmore: And if you just keep your ears and eyes open you will learn something. In the course of 19 or 20 years in public life one can learn much if he keeps alert. I feel we should do something which would give the country as a whole, and the members of parliament as well as the members of the provincial legislature, a chance to cool down and get all the facts, and then make a sober and sound decision in respect of this matter.

There is no urgency about passing this bill at all. This country will not disintegrate if we do not pass this bill for six months or a year. No harm will be done. We could very easily do what the hon. member for Peace River has suggested, both in his first and in his second amendments; because if we give six months' hoist to the bill it means simply that we take six months to think it over. And we can very easily afford to do that, considering all that is involved.

I wish to say just a word or two to show how much at sea the ordinary person will be in approaching the principle, or the facts which underlie the position, let us say, of the Minister of Northern Affairs and National Resources. First of all I wish to say a word or two with respect to that minister. I think this young man is one of the most promising young men who ever came into parliament.

Mr. Fulton: That is probably how he is elected, by promising.

Mr. Blackmore: I think, everything being considered, that this young man already has distinguished himself greatly both before the House of Commons and before the country.

Anything I say concerning the Minister of Northern Affairs and National Resources is not meant in any way to reflect upon him. He is merely the minister in charge of the department, a department which has before it an enormous number of responsibilities. He depends upon public servants whose business it is to give him advice. Wellnigh unquestionably almost anything he says comes right from what his advisers tell him to say. So he is not altogether responsible for everything said by him in that respect. I want to make that perfectly clear, because there is no doubt—

Mr. Speaker: Order. I would point out to the hon. member that although the remarks he has made were made with a certain amount of levity, that fact does not appear in *Hansard*. Anyone who is not here this evening and may read *Hansard* tomorrow would infer from what the hon. member said that the minister is not responsible for what he says in the house. I think the hon. member would not want to leave that in *Hansard*, that whatever the minister has said has been dictated to him by his advisers.

Mr. Blackmore: Mr. Speaker, in a moment or two I would have gone on to qualify that statement so as to make it perfectly clear. It is my desire to have the whole thing perfectly clear, and generally I succeed in at least some measure in that respect.

A minister in any government, in large measure, must rely for advice upon the experts in his department, and the Minister of Northern Affairs and National Resources is no exception. Being a young man filled with energy and activity, and with many responsibilities—

An hon. Member: He has a Rhodes scholar for a deputy, too.

Mr. Blackmore: Probably more than one Rhodes scholar, and probably a good many graduates of the London school of economics, too. Some hon. members do not take the London school of economics very seriously, but I could give them information which would sober them down, I will tell you, on that subject.

Just to show how insecure the position of the Department of Northern Affairs and National Resources is—and I do not include the minister in this at all—I would refer the house to the minister's letter, which of course he had to sign as the responsible minister, dated January 24, 1955, and addressed to J. W. Bailey, secretary of the meeting committee, Nakusp, British Columbia. I turn to page 2 of that letter and place on record some of the statements made therein, where the minister begins to give his reasons for opposing the Castlegar dam. These have been referred to before, but I wish to discuss them. This is No. 1:

> It would be unwise to proceed with this project at this time.

Period.

> The power potentialities of the Columbia river basin are still under investigation.

They might be under investigation for another 15 years, for all we know. Meantime the water is running to waste and nothing is being done about it. Meantime people across the boundary line of British Columbia are going without power which they could generate with that water. To go on with the letter:

> Once the potential of this river system has been assessed—

He does not say by whom, but presumably by the all-wise Ottawa people.

> —and recommendations have been made as to the carrying out of specific projects, both the United States and Canada will be free to exercise, commonly or separately, the rights retained and guaranteed under the boundary waters treaty of 1909. For instance, should Canada find it in its interests to do so, the flood waters of the Upper Kootenay river could be diverted through canal flats into the Columbia. They could then be utilized for power development through the full head of the Columbia river in Canada. These and other flood waters could then be fully utilized for stream regulation, power and other purposes in Canada. If these projects prove to be economically possible, they will change very considerably the planning of the development of the whole Columbia river basin.

How much more do we know about why this project should not be proceeded with, after reading all that? He says, "It would be unwise to proceed with this project at this time". I have read you the reason he gives; and it is so vague, so incomprehensible, so intangible that there is nothing substantial connected with it at all. I think all hon. members must recognize that.

Now, there is one of the main pillars upon which the Department of Northern Affairs and National Resources, and I suppose the Minister of Trade and Commerce, rest their case! Let us see how powerful the next reason is. It says:

> No. 2. According to what is presently known, the project does not provide for the maximum use of the storage potential at the Arrow lakes and of the power potential on the Columbia.

Well, nobody said it did. Certainly British Columbia did not say it did. And why in the world British Columbia should know all that before it could agree to a simple little project such as would be involved in the building of a low-level dam at the outlet of the Arrow lakes, and agreeing with the United States that it could take 3 million acre feet stored up behind that dam and use it to firm up

their power production—I say why in the world they would have to go into all that is something that I think is quite beyond the ability of anyone to understand. Well, that is the support behind the second great pillar upon which rests the whole position of the government. Here is another classical paragraph. Probably this letter was written for the minister by some of the London school of economics experts in his department. I continue to read under No. 2:

There is another and even more important aspect to this question. The fall from the Castlegar site to Murphy creek above the city of Trail is about 40 feet.

What on earth would that have to do with it? I continue:

At the latter point, there are possibilities of dam sites.

When I spoke yesterday I spoke on two or three dam sites. I pointed out that it would be idle to contemplate the development of those sites until Waneta No. 1 and Waneta No. 2 were developed to the limit and electricity generated therefrom sold to British Columbia. Therefore to talk about Murphy creek in relation to the construction of the Castlegar dam site is just nonsense.

Mr. Lesage: Does the hon. member know where that creek is?

Mr. Blackmore: There is enough right here.

Mr. Lesage: Does the hon. member know where it is?

Mr. Blackmore: The Murphy creek site is in southeast British Columbia. That is about all we need to know. I could give more details but I have more important things to talk about. I read on under point No. 2.

At the latter point there are possibilities of dam sites.

I ask what conceivable bearing would that have on the building of the Castlegar dam? The letter goes on with No. 2:

The available head taken alone may not warrant a power development. If it is combined with the head at Castlegar, it would afford an opportunity to add 250,000 kilowatts of on-site power in British Columbia—

There is no sale for it in British Columbia at the present time because they already have a surplus of 75,000 kilowatts. I continue:

—while permitting the same or more production of downstream power as the Arrow lake storage project.

Maybe I ought to stop right here.

Some hon. Members: Yes.

Mr. Lesage: Would the hon. member read the next sentence? Since a letter which has been written and signed by me is being read in this house, I believe the house is entitled to have the whole of the argumentation. The next sentence of the letter is obviously the most important part of that paragraph and I am afraid that is why the hon. member does not wish to read it.

Mr. Blackmore: I intend to read it. It is too rich for me to leave out. Every statement in this letter is an accumulation effecting a climax which is not good for the bill. Now, before I read on I just want to stop and explain why there is a great difference between a dam site which is built for the generation of power and a dam site which has to be built—

Mr. Knowles: Hear, hear.

Mr. Blackmore: We will leave off the "site". The dam—

Some hon. Members: Oh, oh.

Mr. Blackmore: There is a great difference between a dam which is constructed for the generation of electricity and a dam which is constructed purely for the storage of water. This dam which is contemplated at Castlegar is to be constructed purely for the storage of water, not for the generation of electricity in Canada whatsoever, which puts the two types of dams in altogether different categories. Now, a dam which was constructed in this area for the purpose of generating electricity would be supported by nobody while the Waneta No. 1 site is not developed and the Waneta No. 2 is not developed at all, and there are 75,000 kilowatts of power surplus in the area. Surely it must be clear that there is a tremendous difference between a purely storage dam and a power generation dam and that has a tremendous bearing upon one's conclusions.

Let me go on to what the minister wanted me to read. I am happy to do it. I proceed with point No. 2:

According to expert advice, however, the realization of this last project may make the Murphy creek development economically unfeasible which would mean that 250,000 kilowatts of on-site power would be lost for British Columbia.

Note carefully how it is worded:

According to expert advice, however, the realization of this last project may make the Murphy creek development economically unfeasible . . .

The information I gave in my talk yesterday showed that when the potential production of Waneta No. 1 and Waneta No. 2 was achieved and the power all sold, and the time came for the development of the Murphy creek project, then the Castlegar dam site and the Arrow lake could be made to supplement the head of Murphy creek to the extent that Murphy creek would become much more effective as a producer of power.

I went into that yesterday; I shall not go into it again. I thought I explained it so that anyone who runs can understand it.

All of this material in the letter is supposed to be a reason why British Columbia would be foolish to allow an American company to come in and build a low-level dam, pay every cent for it and put in a service; why British Columbia would be foolish to allow them to store 3 million acre feet of water in the Arrow lakes and allow the water to go down into the United States to firm up their productive capacity in their plants. How can these reasons have any conceivable bearing on the wisdom or nonwisdom of what the British Columbia government proposes to do in relation to Castlegar? That must be quite clear.

The Murphy creek site is presently under investigation by federal authorities under the Columbia river reference.

There is no evidence that the matter will be thoroughly investigated in less than six or seven years. According to the British Columbia plan, if we allow them to go on with the Castlegar project they will have made about $3 million by that time to pay off $3 million of the great debt the Liberals created and left to them, and that is very important. I know this $1 million is just peanuts; but it was not peanuts when an Alberta bond issue of $1 million came due and was defaulted, and it would not be peanuts if British Columbia defaulted on a $1 million bond issue. It would be a mighty serious thing then to any responsible government.

British Columbia must be looking to these matters because, as I pointed out before, that was not so long ago. We have no assurance that we are not going into a depression; and if we go into a depression I will wager that the federal government at Ottawa would be meticulously careful that they did not infringe on provincial responsibility to look after unemployment. That will be the responsibility of British Columbia then. They left all the burden they possibly could on the other provinces. They left debt that was accumulated in Alberta by reason of the depression, just about $67 million as a result of the depression alone. Seemingly that could easily happen in British Columbia. Surely any responsible government should be looking for means to guard against that, to accumulate money to pay off the provincial debt and save interest which they could use for building roads and for other desirable things.

We now come to pillar No. 3. I think I have shown that there is not very much substance in the two pillars thus far considered. Let us take the third pillar which is offered by the department in their approach to this bill. I read from No. 3:

The carrying out of the Arrow lakes project at this stage might delay . . .

There is no proof. Why, dear me, the sun might not rise a year from today, for all I know. I continue:

. . . might delay for quite a number of years the realization of other alternative projects—

What ones?

—more important to British Columbia and Canada.

What ones, for example? In my speech yesterday I dealt with Waneta No. 1, Waneta No. 2, Murphy creek and Mica creek, but not one of these is in the same class as this dam, because they are proposed to be power-generating dams, while this one is merely a water-storing dam with the object of firming up power generated in the United States. Therefore this statement is just pure childish nonsense in its application to this project at Castlegar. Now, see the powerful reasoning that this bit of nonsense is supported by. I read on under No. 3:

It has been asserted that the Arrow lakes storage reservoir would not affect the development of the Mica creek project.

Yes, you can hear that bright young thing right out in British Columbia:

This assertion should be treated with considerable reservation—

Pretty nearly any assertion needs to be.

—since under operating conditions it is doubtful that the most effective use of the proposed Mica creek development, of the proposed Arrow lakes storage and of the Grand Coulee project could be made without interference between them.

All vague. No evidence to support them whatsoever. No sign of any evidence. As matters stand at the present time it is the proposal of this government to get this house to endorse this bill, to put its rubber stamp on it before the house gets a chance to learn any of the underlying facts at all. That is pretty clever strategy, is it not? It sounds very much like the strategy that was worked on us in connection with Bretton Woods.

Mr. Howe (Port Arthur): The same kind of filibuster.

Mr. Blackmore: Just the same high-sounding, beautiful phrases that we had before. People believed them and were lulled off to sleep.

Careful co-ordination might minimize this interference but the last project in would have the lowest priority.

How do we know? There is no evidence. One purpose we had in making this motion was to give the minister and the Minister of Trade and Commerce a chance to come and

share their knowledge with this house, to bring in their experts. We might move another motion so they can go into it further, and another motion, and still another motion for the same purpose. There is plenty of time. I am sure the Minister of Fisheries (Mr. Sinclair) will also co-operate. They can come in here and use all the time necessary to tell the whole house all these facts. Let us not vote on a pig in a poke. That is what we are doing if we vote now on this Bill No. 3.

An hon. Member: We know what we are doing.

Mr. Blackmore: Of course you know. These are the brilliant little fellows who do not know shucks about most things, who have been here hardly long enough to get themselves dry behind the ears; yet they know everything about how to run the country.

Mr. Knowles: Too much water around here.

Mr. Blackmore: I have lost my place here. I wanted to develop this matter in an orderly fashion. I read on:

> Moreover it must not be forgotten that economically, those projects, at a given period of time, are alternatives—

There is nothing alternative about any one of these power-producing projects to this water storage project at Castlegar. There is no possibility that it can be. Just listen to the whole of this beautiful sentence by these graduates of the London school of economics. They must have been well trained in English.

> Moreover it must not be forgotten that economically, those projects, at a given period of time, are alternatives and compete against one another to meet the same demand for power.

It does not say what projects there are. Nobody knows. All right, we can vote on this and nobody knows what will happen. The Castlegar project does not create power at all. It does not compete with any of the power-generating projects. Note how completely misleading that statement is. I notice the Minister of Trade and Commerce is enjoying himself and showing some signs of hilarity. I would appreciate it if he would tell us all the facts. Meanwhile we have to go by what we know of it.

> For instance, it is highly probable that the Arrow lakes project would interfere with any arrangement being worked out with United States interests and the Bonneville power authority for 10·5 million acre feet of storage at the Mica dam site.

We already have evidence adduced in this debate to show that the Mica creek dam might not be developed for 10 or 15 years. Meanwhile all possibility of giving the United States the use of 3 million acre feet of stored water in the Arrow lakes every year, the possibility of the United States having the advantage of that water, will go over the dam. There will be nothing to it. The $1 million per year that the British Columbia government would get and could use for all sorts of purposes will be lost. Just listen to the sound of this most impressive language. It is highly probable; we do not know who thinks that or why. Then we have all these wonderful paragraphs:

> The first storage built will have a first call on idle equipment in the downstream power plants and will firm up a greater number of kilowatts per million acre feet.

Is it proposed ultimately to use the Mica creek project to supply the United States with water with which to firm up their power production? If so, then it is proposed to create exactly the same position as that prevailing in connection with the construction of the Castlegar dam. If it is dangerous for Canada to be "throwing away" its electricity or water it may be equally dangerous when these projects including Mica creek are in action:

> The first storage built will have a first call on idle equipment in the downstream power plants and will firm up a greater number of kilowatts per million acre feet.

Not the slightest hint of explanation. Not an authority quoted. I read on:

> The project that is going to be most advantageous for British Columbia and Canada should be supported.

Of course it should be, but that is no indication that the Castlegar dam is not exactly that project. Not the slightest bit of evidence has been adduced. The Castlegar dam project will begin to get results in three years, but it will be more than three years before they can start work on the others, as far as a person can judge.

> It is far from being evident that the Arrow lakes reservoir is the one which will best serve the Canadian interests at this time.

Comforting, vague, uncertain. It sounds just like a composition you would expect to be written by graduates of the London school of economics. Just listen to these inspiring words. I read No. 4:

> The terms of the agreement proposed by the B.C. government will have an unfavourable effect on the Canadian aluminum industry, particularly in British Columbia.

No evidence to prove that. No evidence to show that it would make any serious difference if it did, or to whom it would make a difference.

> The future of this industry lies in its ability to export to American and world markets. While the cost of power at Kitimat may ultimately be around 3 mills, today with the development only partially completed and many of the capital outlays already made, it is more in the order of 7 or 8 mills. The reduction in cost will result from

greater production and depends largely on increased exports to the United States. This situation must, obviously, be considered most carefully before an arrangement is permitted which would allow a project in Canada to make power available from Canadian storage for use by industry in another country at a price little more than half what it costs to a competing Canadian producer.

You would think from that statement that they were going to create the most colossal amount of power. But what would be created is the number of kilowatts of which 42,000 is 20 per cent. That would not be enough to seriously disrupt any production here. What evidence have we that when this power is developed in the United States it will be used for the production of aluminum? There is not the slightest chance of that happening. That is just as false a bit of sophistry as you could read. This is a learned letter from one of the big departments at Ottawa where the wise men all live.

The terms of the agreement are bad for B.C. and Canada.

There is not a bit of proof advanced or a bit of evidence adduced to support that bald statement, which is as foolish, insubstantial and unsatisfying as the rest of that letter. But it continues:

If the negotiations between individual states in the United States can be used as a criterion, Canada should receive about 50 per cent of the total downstream power generated in the United States by the use of Columbia river water stored within her boundaries.

That is the first part. Apparently there are plans in operation in those states, but we do not know the facts about them. Now, are those plans or the dams involved to be built by an outside interest? And are they to be built free for the states concerned, in the manner in which this Castlegar one is to be built? Let us remember that a United States interest, the Kaiser corporation, is going to build this Castlegar dam free. It will not cost British Columbia a cent to build it, nor will it cost them a cent to maintain it. If a similar condition does not obtain in those states referred to in regard to their projects this conclusion about 50 per cent has no relation whatever to the evidence adduced. But let us continue:

For the more economic projects, the ratio could be expected to run somewhat higher in Canada's favour. The Arrow lakes provide one of the most "natural" and economic reservoirs in the Columbia basin, and yet apparently Canada would get a share of 20 per cent only of the downstream power available at Grand Coulee.

The force of that statement or lack of force depends entirely on whether a United States company has come to Canada, built a dam, paid for it, supported and maintained the dam every year, and is satisfied to give 20 per cent of the power for the use of the water; or whether the province of British Columbia build the dam at a cost of $30 million bearing interest at 5½ per cent, which would amount to $165,000 per year.

If the government of British Columbia built that dam you justifiably would expect it to get 50 per cent of the power; but when a United States company builds the dam, pays for it, maintains it, receives the water which is stored and uses it to generate electricity and then gives British Columbia 20 per cent of that power, it might be giving a really good deal. It will therefore be seen that there is confusion in that statement I have just read, confusion which is worse confounded, and no substance of reason at all.

The next pillar is No. 6. I am sorry my time is running out, but this is the last point with which I wish to deal.

Mr. Deputy Speaker: I am sorry to interrupt the hon. gentleman, but I am obliged to advise him that his time has expired.

Mr. Blackmore: Thank you, Mr. Speaker. I shall come back and entertain the house again if I am given another opportunity.

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

Some hon. Members: Yes.

The house divided on the amendment (Mr. Low) which was negatived on the following division:

YEAS

Messrs:

Blackmore	Low
Girard	McLeod
Hahn	Patterson
Hansell	Quelch
Holowach	Shaw
Johnston (Bow River)	Thomas
Leboe	Yuill—14.

NAYS

Messrs:

Anderson	Dechene
Argue	Deschatelets
Ashbourne	Dickey
Barnett	Dinsdale
Batten	Dumas
Benidickson	Dupuis
Bennett (Grey North)	Eyre
Blanchette	Fairclough, Mrs.
Boisvert	Fairey
Bourque	Fleming
Brown (Brantford)	Fraser (St. John's East)
Brown (Essex West)	Fulton
Bryce	Garland
Bryson	Garson
Buchanan	Gauthier (Lake St. John)
Byrne	Gauthier (Portneuf)
Cameron (Nanaimo)	Gillis
Campbell	Gingras
Campney	Goode
Cardiff	Gour (Russell)
Charlton	Green
Churchill	Gregg
Crestohl	Habel

Hanna	McIlraith
Hardie	McMillan
Harkness	Martin
Harris	Matheson
Harrison	Michaud
Hees	Mitchell (Sudbury)
Herridge	Montgomery
Hodgson	Murphy (Westmorland)
Howe (Port Arthur)	Nicholson
Howe (Wellington-Huron)	Nowlan
	Pearkes
Huffman	Philpott
Johnson (Kindersley)	Pickersgill
Jones	Pommer
Jutras	Pouliot
Kirk (Antigonish-Guysborough)	Power (St. John's West)
	Purdy
Kirk (Shelburne-Yarmouth-Clare)	Ratelle
	Reinke
Knight	Robichaud
Knowles	Robinson (Bruce)
Lafontaine	Robinson (Simcoe East)
Langlois (Gaspe)	Rowe
Lapointe	St. Laurent
Leduc (Gatineau)	Simmons
Leduc (Jacques Cartier-Lasalle)	Stick
	Stuart (Charlotte)
Lefrançois	Thatcher
Legare	Thibault
Lennard	Tucker
Lesage	Tustin
Lusby	Villeneuve
MacDougall	Weaver
MacEachen	Weir
MacInnis	Weselak
MacLean	Winch
McCubbin	Winters
McDonald	Zaplitny—118.

Mr. Speaker: I declare the amendment lost. Shall the main motion carry?

Mr. F. D. Shaw (Red Deer): It is conceivable that under normal circumstances a bill such as Bill No. 3 would not have engendered such protracted debate, nor would such strong differences of opinion have been expressed. However, it certainly cannot be said that the circumstances surrounding Bill No. 3 are in any sense normal. We have had a definite lack of information, as has been pointed out by the hon. member for Peace River as well as by the hon. member for Lethbridge and others. We are still of the opinion, and thoroughly convinced, that before Bill No. 3 is given second reading the information which has been requested should be made available.

I refer at this moment only to the letter written by the Minister for Northern Affairs and National Resources, and referred to by the hon. member for Lethbridge. In sentence after sentence, paragraph after paragraph, we are faced with the indefinite, the opinion, the maybe, the suppose, but there was nothing substantial to back up either the observations or the opinions contained in that letter. In my opinion that is the most disturbing aspect of this whole thing, especially when the letter went out over the signature of a responsible minister.

It is quite obvious, Mr. Speaker, that the government of British Columbia, a duly elected government responsible to the people of British Columbia, engaged in extensive consultation and utilized every means at its disposal to acquire all necessary information, following which it proposed to negotiate an agreement which, in the opinion of that government, was in the best interests of British Columbia. If that were true it would naturally, I believe, be in the best interests of Canada. It is impossible for me to conceive of anyone here or elsewhere assuming that the government of a province would not or could not or did not have in mind the welfare of the nation of which that province is a part. I feel that anyone who would suggest otherwise would not only be most unfair to the province, but would be doing a disservice to the people of Canada.

It has been pointed out in this house, again only a moment ago, that the Kaiser corporation would spend in British Columbia on the Castlegar dam the sum of $30 million. Moreover, the corporation would pay to the province of British Columbia $275,000 a year, and would make available each year an amount of electricity which based on a value of $20 per kilowatt hour would be worth in the neighbourhood of an additional $800,000 per year. Now, Mr. Speaker, if that is not a good deal from that specific point of view, why in the world does not some minister stand and say why not? At the same time he could follow up by offering a proposition which might be considered better.

Mr. Blackmore: Or as good.

Mr. Shaw: Well, yes, or as good. We are waiting for some minister to do just that. I repeat that whether you like the government of British Columbia or whether you do not, it is still reasonable to assume that the government is going to have in mind the best interests of the province of British Columbia and, I would declare it therefore follows, the best interests of Canada. Surely no responsible person is going to assume that a government, any provincial government in Canada, is going to sell out the interests of the province; yet that expression has been bandied about.

Mr. Blackmore: By irresponsible men.

Mr. Shaw: I would certainly call it an irresponsible position for men to take. Then, of course, you can follow it from there if you like, to determine the type of person who would likely do such a thing.

The federal authorities apparently did not, and do not now, consider this a good proposition. I checked the speech of the Minister of Trade and Commerce rather carefully. I do not remember the number of times that he used the expression "in the national interest" or something comparable to it. From the number of references I cannot help but conclude that he must construe some proposition, and I do not know of any proposition which he may have in mind other than the one in British Columbia, to be opposed to the national interest. I repeat that we have not had placed before us sound arguments to substantiate that position. We are still waiting for them.

The minister also has referred to the undesirability, if there is such a word, of the short-term benefits. No one has established the fact as yet that these benefits may be short-term. I see substantial benefits over a considerable period of time. If my understanding of the proposed agreement is correct, after a specified period of time the works become the property of British Columbia. The minister used the term now and again, "inconsistent with the longer national view". I should like to know what he considers to be inconsistent. He used a broad, general expression which might refer to one thing or everything. If he believes that the Kaiser proposition is inconsistent with the longer national view, then I would suggest the minister is under an obligation to show us wherein it is not in the interests of Canada for the indefinite future.

The minister also has used the expression in his speech, "not the most advantageous development of a water system." We have not yet been given any clear-cut definition of what he means by the so-called advantageous development of the water system. Reference is made in the bill itself to this expression. I should like to know just exactly the type of proposition that the minister would lay alongside the Kaiser dam proposition which would be a more advantageous system for British Columbia and for Canada. It may be, but I want to hear what it is. We have not yet heard that.

The minister also referred to any scheme having to fit in with the general picture of water and power requirements in Canada. Well, the hon. member for Peace River asked the minister to give us the picture of the over-all national policy in this field. Until we do have such a picture it is virtually impossible for anyone, including the minister, to say that a certain proposed project does or does not fit into the so-called national picture of water and power requirements in Canada.

The minister also referred in his speech to certain works which do not include appropriate safeguards to protect the national interest. That expression also cropped up. But did he or did anyone point to this project and establish the fact that it does not include appropriate safeguards to protect the national interest? During the course of this debate I have heard no one undertake that.

What exactly is required by way of safeguards? We are waiting for an announcement concerning those safeguards. In what way and to what extent does the proposed project in British Columbia not fit into such a pattern? If it does not fit into such a specific pattern it is because of the fact that no pattern exists at this time.

The minister also referred to the fact that the rights of individuals in both countries must be protected. In what way and to what extent does this proposed project fail to protect individual rights? If it does not give that protection, then I am waiting to hear someone point out wherein it fails to do so. I understand—and I refer to what was said by the hon. member for Kootenay West (Mr. Herridge)—that where damage may be done to property along the Arrow lakes, and where flooding may be caused, compensation is provided, as it is provided in all such projects. I took it from what was said by the hon. member for Kootenay West that if any project in Canada interfered in any way with one house or one acre of land, then a project such as that should be damned and not proceeded with. And I am not using that word in the sense of the holding back of water.

Mr. Herridge: That is not only the opinion of the hon. member for Kootenay West; it is the opinion of people in the Arrow lakes district.

Mr. Shaw: I would assume that the hon. member was quoting with approval. I could not help understanding, from his observations, that he was in agreement. Certainly he did not say, "My people say this, but I disagree with them".

Mr. Herridge: I am representing my people.

Mr. Shaw: I think it is assumed that if I rise in the House of Commons and advocate a certain proposal, either I am in agreement with it myself or I make it clear that I am not.

The minister brought out a number of points with which I should like to deal. However, I have an amendment, and I am sure the house would like to hear it before ten o'clock so that hon. members may reflect upon it over the week end.

I move, seconded by the hon. member for Bow River (Mr. Johnston):

That Bill No. 3 be not now read a second time but that the subject matter thereof be referred to the standing committee on external affairs.

There has been evidence throughout this debate that a good deal of additional information is required. I, for one, cannot support the second reading of a bill unless I am satisfied in my own mind that I have all the information necessary to render a proper decision. And it is to the principle of the bill I am speaking at the moment. If we are asked to endorse the principle of the bill, as we are now asked, then all I can assume is that there will be a great many members in the house who are in a fog or a haze with respect to the actual principle at the time they cast their votes. Certainly I would find it extremely difficult to sleep tonight if I were to give approval to the second reading of this bill, in the light of the very scanty information we have concerning certain vital aspects of this whole matter.

My amendment simply means that we do not have to accept the principle of the bill at the moment, but rather that the subject matter thereof be referred to the committee on external affairs so that all information necessary could be acquired, and all hon. members in that committee would be in possession of that necessary information and could either approve or disapprove of the bill. It would then come back to the house and hon. members would then be able to face a vote on second reading and assert conscientiously that they were fully conscious of the implications involved. That is the position we find it necessary to take at this time.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, if this amendment passes it kills the bill for this session, because the amendment is that the bill be not read a second time.

I wonder why everyone is so frightened of the bill. What is the purpose of the bill? Well, the purpose is to require the federal government to agree with the province that this is a desirable project. If we so agree a licence is issued and the work proceeds. We have had the same situation with permits under the Electricity and Fluid Exportation Act, and that act has expressed the accepted policy of this government since 1907. I have heard some great debates on this question.

My hon. friend says that this is legislation aimed against British Columbia. Well, if so the same principle has been aimed against other provinces in the past. I recall that one of the great debates of my first session of parliament was as to whether a licence should be issued to the Montreal Light, Heat and Power Company to export 40,000 kilowatts of power from its Cedars plant on the St. Lawrence river to the Aluminum Company of America at Massena, New York. That was really a debate. This echoes that debate; "the water is running down river anyway; why not use it?" That was the principal keynote. We have the members of the Social Credit party saying, "The water is running down the river, let us use it now. Never mind the future." That has been the keynote of this argument from that section of the house.

An hon. Member: No.

Mr. Howe (Port Arthur): We have been told several times that there are 75,000 kilowatts of unsold power in that area; "Therefore never mind the rest of it. That 75,000 kilowatts is a lot of unsold power. Let the rest of it go to the United States."

Some hon. Members: No, no.

Mr. Howe (Port Arthur): I did not interrupt you. Then there was the great debate between the Ontario government and the federal government about the export of surplus power from Ontario.

Mr. Fleming: An Ontario Liberal government.

Mr. Howe (Port Arthur): An Ontario Liberal government and a federal Liberal government at Ottawa. The two arguments were used there; well, the water is running down the river anyway; we have the unsold power being generated, why not export? Fortunately this parliament decided not to export that power and today, as I said earlier in the debate, the province of Ontario is developing its last hydroelectric power. The province of Quebec, instead of sending power down to make aluminum at Massena, New York, is using that power to make aluminum in Canada. We were then making it at a plant in the province of Quebec that was less than one-twentieth the size it is today. If we had been willing to send that power over the line the plant at Massena would have been a big plant today, and the plant on the Saguenay would not be the size it is today.

I point out that I said nothing that could be construed as being of a political nature in explaining the purpose of this bill. The purpose of this bill is simply to require, in connection with international streams, that we pass on the desirability of the export of regulated water in the same manner as we do for electricity and natural gas. If the application will stand examination a licence may well be granted. We do not know too much about this proposal. We have been told a lot about it in this debate. All I have seen is the contract that has been tabled, but I am told by the leader of the Social Credit

party that there is much more to it than that. There is to be a supplementary agreement with the Bonneville power authority that is going to become a part of the contract. Well, perhaps that makes the arrangement enforceable, for in my opinion the contract certainly is not enforceable in the form that has been tabled in this house. The hon. member says it is going to be made possible to export British Columbia's share of the power from the United States into Canada, that export is going to be assured. Well, that may change the whole complexion. The purpose of this bill is to make sure that we get information such as may enable us to join with the province in working out a solution that is acceptable in the national interest.

I point out that we think we have a national interest in the power resources of British Columbia. To date the Canadian section of the international joint commission has expended $2,781,000 in investigations and study of the best use of the water resources of the Columbia river. We have in the estimates that are before the house at the present time a further sum of $641,360 to be spent during the next fiscal year in continuing the study of the best use of the Columbia river system.

Strangely enough, General McNaughton has not been consulted by the province of British Columbia about this transaction. He tells me that he was in Victoria on the day this contract was signed, and that he did not hear about the agreement until two or three weeks later. I may say that the most disturbed man about this situation is General McNaughton. He sees several years of work thrown away; he sees the program that he hoped to carry out for the Columbia river system made unworkable.

The Arrow lakes are the great natural reservoir of the Columbia river in British Columbia. As I read the contract, it provides that the Kaiser company, an American company that operates an aluminum plant in Seattle, is to have the complete regulation of the water levels in the Arrow lakes. This company has the privilege of storing the water in periods of high water and holding that high water as long as it likes and releasing it as it likes to make up deficiencies in the flow of the Columbia river system below the border.

Mr. Blackmore: To the extent of 3 million acre feet.

Mr. Howe (Port Arthur): Three million acre feet of water happens to be all the water there is in the Arrow lakes that will be controlled by this dam. It must be remembered that this is not a temporary arrangement; it is for 50 years, and renewable after that.

[Mr. Howe (Port Arthur).]

In other words the Kaiser company will regulate the water levels and storage capacity in the Arrow lakes for 50 years and beyond. What can you do with the Columbia river if you have regulation of the Arrow lakes tied up by a corporation outside of Canada?

Frankly, if I wanted to play politics with this matter, which I do not; if I were to forget that I am a member of a government that is responsible for all of Canada, I would not introduce this bill. I would not say a word; I would let the government of British Columbia turn over the Arrow lakes lock, stock and barrel to the Kaiser company of Wilmington, Delaware, for their use and regulation. That would be playing politics. What we are trying to do is prevent a situation that we think is destructive of the best interests of the water resources of British Columbia and of Canada, for British Columbia is a part of the Dominion of Canada.

As I say, if examination proves that we are wrong, what happens? Well, we issue a permit; but we believe that this project is wrong. General McNaughton believes that this is wrong and contrary to the best interests of British Columbia and of Canada. Surely the Canadian section of the international joint commission, which has spent a great deal of money and three or four years of time in studying the possibilities of the Columbia system, have a right to know what the deal is and what effect it will have on the work they have planned for that area. Surely the federal government as a whole should be entitled to see the details of a contract made between Her Majesty's government in British Columbia and a company in the United States of America dealing with the use of a storage basin in Canada; for if there is any recourse for the United States for damage or nonperformance that recourse is not going to be against the province of British Columbia, it is going to be against the Dominion of Canada. If there are any claims from outside Canada they will not be filed with the government of British Columbia, they will be filed with the government of Canada.

It seems to me that a great deal of heat has been generated about a bill that simply asks that the information be laid on the table; that evidence be given that this is a prudent contract. We assume that if it can be shown it is not a prudent contract, the British Columbia government would be just as willing to abrogate it as we would be anxious to have it abrogated. If it could be shown that it is a prudent contract, of course a permit would be issued. It is just as simple as that.

Why all the speeches about the waters flowing anyway? Why not sell any power rights we cannot use immediately? We have heard that argument in every debate on hydroelec-

tric power export that has occurred in this house. Therefore let us not have any more of that. We know now, and we are quite prepared to quote back to any hon. member in that corner, the views he has already expressed in this debate bearing on the export of waterpower resources of Canada. To be sure of their views may be of some value to others in the long pull, but not to me. This debate has been almost entirely away from the point and has covered matters not discussed on the introduction of the bill, and not referred to in the bill itself.

On motion of Mr. MacInnis the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Monday, of course, is private members' day, but all hon. members know that the Prime Minister intends to make a statement at the beginning of the day. On Tuesday we shall have a motion to go into supply.

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

END OF VOLUME I